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SDMS DocID

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June 29, 2012

Kenneth I. Rose, III, Financial Analyst (3HS62) U.S. Environmental Protection Agency, Region III 1650 Arch Street Philadelphia, Pennsylvania 19103-2029

Re:

Response to April 17, 2012 Correspondence

Metro Container Site, Trainer, Pennsylvania

Dear Mr. Rose:

Please be advised this firm represents Sheboygan Paint Company ("SPC"). SPC received correspondence from the United States Environmental Protection Agency ("EPA") dated April 17, 2012 requesting certain information and documents concerning a release, or threat of release, of hazardous substances, pollutants, or contaminants at the Metro Container Corporate Site located in Trainer, Pennsylvania (the "Site"). Specifically, EPA provided a list of questions for response by SPC at Enclosure E of its correspondence.

EPA's April 17, 2012 correspondence states that it believes, based upon its research, that SPC is the successor to Sentry Paint Technologies ("Sentry"). EPA further asserts that it believes Sentry sent drums to the Site for reconditioning.

Please be advised that SPC is not the successor to Sentry. SPC's relationship with Sentry is limited to two separate transactions:

During the period from December 2001 to December 2007, SPC participated in a equally-owned joint venture with Sentry called Atomized Powder Coatings, LLC, an Indiana limited liability company. The purpose of the joint venture was to market powder coating processes to customers in the State of Indiana. A copy of the Operating Agreement of Atomized Powder Coatings, LLC is enclosed for your reference at **Tab A**.

The joint venture, however, failed and was terminated as of January 31, 2007 via SPC's purchase of Sentry's membership interest in the joint venture. A copy of the Membership Interest Purchase Agreement has also been enclosed at **Tab B** for your reference. Subsequent to SPC's purchase of Sentry's membership interest, Atomized Powder Coatings, LLC was renamed SPC Holdings, LLC which was thereafter dissolved on December 30, 2010. A copy of the Certificate of Dissolution is enclosed at **Tab C**.

The joint venture known as Atomized Powder Coatings, LLC was commenced in 2001 - well after any hazardous release at the Site. According to the EPA's correspondence, Metro Container Corporation was utilizing the Site to recycle

and reclaim drums through the year 1990. Moreover, Atomized Powder Coatings, LLC had no relationship to the Site and nothing in the joint venture relationship among SPC and Sentry placed SPC in a position of ownership or control of Sentry.

2. In April of 2003, SPC purchased certain assets of Sentry. A copy of the Asset Purchase Agreement reflecting such transaction is enclosed for your reference at **Tab D**. This transaction was strictly an acquisition of certain assets of Sentry. SPC did not purchase any capital stock of Sentry, did not assume any liabilities of Sentry, and did not succeed to the business or operations of Sentry.

At or around the same time as the above transaction, SPC leased from Sentry a building at 237 Mill Street in Darby, Pennsylvania for use as a warehouse and laboratory of SPC. This landlord - tenant relationship continued until 2008. A copy of the Lease is enclosed herewith at **Tab** E. Never, however, did SPC assume the role of Sentry's successor at that building or, for that matter, in any other manner.

Clearly, SPC is not a successor of Sentry as a result of its limited relationships referenced above. Due to these limited relationships, and its lack of any ownership or control of Sentry, SPC possesses no information or documents responsive to the EPA's list of requests at Enclosure E of its April 17, 2012 correspondence. Nonetheless, per EPA's request, SPC has provided responses to each of the questions presented at Enclosure E to the best of its ability by an authorized corporate official of SPC.

I anticipate that the enclosed documents and responses will satisfy the EPA's inquiry into the relationship of our client to the Site. Please contact me if any further discussion of this matter is necessary.

Sincerely,

John R. Schreiber

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JRS/mvd Enclosures

c: Mr. Charlie Malingowski (w/encls.)
James G. DeJong, Esq. (w/encls.)
John G. Gehringer, Esq. (w/encls.)

SHEBOYGAN PAINT COMPANY'S RESPONSES TO ENCLOSURE "E" QUESTIONS CONTAINED IN EPA'S APRIL 17, 2012 CORRESPONDENCE

- 1. EPA has information which indicates that you sent drums to the Metro Container Site between 1980-1988 from one or more of your facilities. For each such facility, identify:
 - a) the address of the facility; and
 - b) the products/materials produced at such facility between 1980-1988.

Response to 1.a): Sheboygan Paint Company ("SPC") denies having any facilities that sent drums to the Metro Container Site (the "Site") between 1980-1988. Accordingly, no such information or records exist.

Response to 1.b): SPC denies having any facilities that sent drums to the Site between 1980-1988. Accordingly, no such information or records exist.

2. Identify the processes used between 1980-1988 to produce the products/materials identified in response to Question # 1.

Response to 2: As no products/materials were identified in response to Question #1, Question #2 is not applicable.

3. Identify the raw materials used in the processes identified in response to Question #2.

Response to 3: As no processes were identified in response to Question #2, Question #3 is not applicable.

4. Identify all wastes and by-products generated between 1980-1988 from the processes identified in response to Question #2.

Response to 4: As no processes were identified in response to Question #2, Question #4 is not applicable.

- 5. For each raw material and waste/by-product identified in response to Questions #3 and #4:
 - a) Identify the chemical composition.
 - b) Provide a copy of all documents referring to or related to the composition of such raw material and waste/by-product including, but not limited to, chemical analyses performed on such raw materials and wastes/by-products; and
 - c) Identify how each waste/by-product was disposed of between 1980 and 1988.

Response to 5.a), 5.b) and 5.c): As no raw material and waste/by-product was identified in response to Question #3 and Question #4, Question #5 and its subparts are not applicable.

6. Identify all chemicals/constituents that would have been present in drums present at any time between 1980-1988 at the facilities identified in response to Question #1(a).

Response to 6: As no facilities were identified in response to Question #1.a), Question #6 is not applicable.

7. Identify the number of drums/containers sent to the Metro Container Site from the facilities identified in response to Question #1.

Response to 7: As indicated in response to Question #1, SPC had no facilities that sent drums to the Site between 1980-1988. Moreover, as no facilities were identified in response to Question #1, Question #7 is not applicable.

8. Identify the procedures used to determine which drums present at any time at your facilities would be sent to the Metro Container Site.

Response to 8: As indicated in response to Question #1, SPC had no facilities that sent drums to the Site between 1980-1988.

9. Identify the chemicals/constituents contained in the drums you sent to the Metro Container Site.

Response to 9: As indicated in response to Question #1, SPC had no facilities that sent drums to the Site between 1980-1988.

10. If you assert in response to Question #9 that some or all of the drums sent to the Metro Container Site were empty, identify the chemicals/constituents that would have been in the drums before they were emptied.

Response to 10: Not applicable.

11. Identity, and provide a copy of, all contracts and agreements between you and Metro Container Corporation or any related entity under which drums were sent from your facilities to the Metro Container Site.

Response to 11: No such contracts or agreements exist.

12. Provide the name, title, address, and telephone number of the person answering these questions on your behalf. For each question, provide the name, title, area of responsibility, current address, and telephone number of all persons consulted in preparation of the answers.

Response to 12: Charlie Malingowski, Vice-President, Sheboygan Paint Company, 1439 N. 25th Street, Sheboygan, Wisconsin 53081, (920) 458-2157.

- 13. If any of the documents solicited in this information request are no longer available, please indicate the reason why they are no longer available. If the records were destroyed, provide us with the following:
 - a) Your document retention policy;
 - b) A description of how the records were/are destroyed (burned, archived, trashed, etc.);
 - c) The approximate date of destruction;
 - d) A description of information that would have been contained in the documents; and,
 - e) The name, job title, and most current address known to you of the person(s) who would have produced these documents; the person(s) who would have been responsible for the retention of these documents; and the person(s) who would have been responsible for the destruction of these documents.

Response to 13: No such documents exist.

14. If you have any information about other parties who may have information which may assist the EPA in its investigation of the Site or who may be responsible for the generation of, transportation to, or release of contamination at the Site, please provide such information. The information that you provide in a response to this request should include the party's name, address, type of business, and the reasons why you believe that the party may have contributed to the contamination at the Site or may have information regarding the Site.

Response to 14: SPC has no such information.

[EXECUTION/CERTIFICATION PAGE TO FOLLOW]

CERTIFICATION AS TO RESPONSES

I, Charlie Malingowski, an authorized signatory of Sheboygan Paint Company do hereby certify that the above responses of Sheboygan Paint Company to EPA's written requests at Enclosure E of its correspondence dated April 17, 2012 are true and correct.

SHEBOYGAN PAINT COMPANY

By: Charlie Malingowski, President

Subscribed and sworn to before me this 28th day of June, 2012.

Notary Public, State of Wisconsin,

My Commission expires: 7/6/2015

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OPERATING AGREEMENT

OF

ATOMIZED POWDER COATINGS, LLC

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OPERATING AGREEMENT

OF

ATOMIZED POWDER COATINGS, LLC

an Indiana limited liability company

THIS OPERATING AGREEMENT (the "Operating Agreement" or the "Agreement") is made and entered into as of the 19 day of December, 2001, by and among SENTRY PAINT TECHNOLOGIES INC. a Pennsylvania corporation ("Sentry"), SHEBOYGAN PAINT COMPANY, a Wisconsin corporation ("SPC-WI"), and SHEBOYGAN PAINT COMPANY OF CEDARTOWN, GEORGIA, a Georgia corporation ("SPC-GA", and together with SPC-WI and Sentry, the "Initial Members"), and Atomized Powder Coatings, LLC, an Indiana limited liability company (the "Company"), for the purposes of providing the rights, obligations, and restrictions as set forth herein with the force and effect of an operating agreement of the Company as provided for in the IBFA, and Robert E. Dallman (the "Organizer"), solely for the purpose of making the acknowledgment at the end of this Operating Agreement.

WITNESSETH:

WHEREAS, the Initial Members desire to make the contributions to capital in exchange for membership interests in the Company as described on Exhibit A hereto;

WHEREAS, the Initial Members desire to set forth their respective rights and obligations as Members of the Company;

NOW, THEREFORE, in consideration of the mutual promises made herein, the parties hereby agree as follows:

1. General Provisions

1.1. Definitions

For purposes of this Operating Agreement, the terms listed on Exhibit B hereto shall have the meanings set forth therein, and any derivatives of such terms shall have correlative meanings. Any other capitalized terms which are not defined on Exhibit B have the meanings set forth elsewhere herein.

1.2. Name

The name of the Company is "Atomized Powder Coatings, LLC".

1.3. Registered Office and Agent

The Company's registered agent shall be Alexander McLean or such other person designated from time to time by the Operating Committee. The Company's registered office shall be 4141 Second Parkway, Terre Haute, Indiana 47805. The Managers may appoint a new registered agent or change the registered office by filing or causing the filing of the document required by Section 2-4 of the IBFA as deemed by the Managers as appropriate under the circumstances.

1.4. Purpose

The Company is being formed (a) to own and operate the assets and business formerly owned by the Wabash Powder division of Sentry and the equipment owned by SPC-WI and SPC-GA, and (b) to engage in any other lawful business which the Operating Committee may hereafter agree is necessary or appropriate for the Company to engage in and may approve of.

1.5. Term

The term of the Company shall be perpetual, unless the Company is earlier dissolved or merged in accordance with the provisions of this Operating Agreement or the IBFA.

2. Capital Contributions

2.1. Capital Contributions

The Members have made the Capital Contributions described on Exhibit A hereto in exchange for the number of Membership Units set forth opposite their names thereon.

2.2. Additional Capital Contributions

- (a) The Members shall make additional capital contributions as described in Exhibit A-1 hereto.
- The Operating Committee shall have the right to request additional Capital Contributions from the Members. The Members shall not be required to make any additional Capital Contributions or loans to the Company or to guarantee any Indebtedness or obligation of the Company other than as otherwise stated in this Operating Agreement, but any Member which makes an additional Capital Contribution shall receive in exchange therefor additional Membership Units valued at the per-unit value thereof determined as set Upon a determination by the Operating Committee to request additional capital contributions, the Company shall request its outside accountants (the "Accounting Firm") to determine the Company's equity per Membership Unit as of the first day of the month preceding the month in which such Capital Contribution is requested. After the equity per Membership Unit is determined, the Company shall issue a written notice to such Members, which notice shall, among other things, [i] specify the terms and conditions governing such Capital Contribution (the "Capital Contribution Notice"), [ii] provide that each Member shall have the right to participate in any such requested additional Capital Contribution upon the terms and conditions set forth in such notice, [iii] provide that each Member shall have at least 15 days after receipt of the Capital Contribution Notice to exercise such Member's rights, [iv] provide that each Member shall be entitled to purchase up to such number of Membership Units as to preserve such Member's existing percentage of ownership of Membership Units, and [v] provide that the per-Membership Unit price shall be equal to the equity per Membership Unit. In the event that any Member desires to participate in such Capital Contribution, within fifteen (15) days after the date of the Capital Contribution Notice, such Member shall give written notice to the Company of either [x] the number of additional Membership Units which such Member wishes to purchase, or [y] that such Member is contesting the per-Membership Unit price set forth in the Capital Contribution Notice. Within 10 days of a Member's notice to the Company that such Member contests the per-Membership Unit price, the Company shall request the Accounting Firm to determine and communicate to the Company and the Member in writing, at the Company's expense, within 90 days of appointment, a per-Membership Unit value based on generally accepted appraisal techniques and principles in the United States without regard to discounts (including but not limited to discounts for minority ownership and lack of marketability). If the Member objects to the Accounting Firm's valuation within 10 days of the accounting firm's determination and communication to the

Company and the Member of such valuation, the Member (at such Member's expense) may retain a second appraiser within such ten (10) day period. Accounting Firm and the appraiser retained by the Member shall, within ten (10) days after the appointment of the Member's appraiser, appoint a third appraiser who will, within ninety (90) days of appointment, render a determination of the per-Membership Unit value which shall be final for purposes hereof. If the Accounting Firm for the Company and the appraiser retained by the Member fail to appoint the third appraiser within 10 days of the appointment of the Member's appraiser, or if the third appraiser fails to make a determination within the required time, either the Company or the Member may petition a court of competent jurisdiction to appoint a third appraiser. If the determination made by the third appraiser varies by more than twenty percent (20%) from the determination by Accounting Firm, the cost of the third appraiser shall be split equally between the Member and the Company. If the determination made by the third appraiser does not vary by more than twenty percent (20%) from the determination by the Accounting Firm, the Member shall pay for the cost of the third appraiser. Any sale of additional Equity Securities to Persons who are not Members shall be made in accordance with Section 3.3.

2.3. Return of Capital

No Member is entitled to withdraw from the Company, to receive a return of any part of its Capital Contribution, to receive any Distribution, or to receive a repayment of any negative balance in its Capital Account, except as expressly provided in this Operating Agreement. No Member has the right to demand that Distributions be in-kind. Except as otherwise explicitly provided in this Agreement, no Member will be paid interest on any Capital Contribution or on such Member's Capital Account.

3. Capital Accounts

3.1. Capital Accounts

There shall be established and maintained with respect to the Membership Units held by each Member a Capital Account in accordance with the following:

(a) Credits. To each Member's Capital Account there shall be credited such Member's Capital Contributions, such Member's allocable share of Profits pursuant to Section 5 and any items in the nature of income or gain that are specially allocated pursuant to Exhibit C hereto to the extent required to be credited to the Capital Account, and the amount of any

Indebtedness of the Company that is assumed by such Member or that is secured by any property Distributed to such Member.

- (b) Debits. To each Member's Capital Account there shall be debited the amount of cash and the Value of any property Distributed to such Member, such Member's allocable share of Losses pursuant to Section 5 and any items in the nature of deductions or losses specially allocated pursuant to Exhibit C hereto to the extent required to be debited to the Capital Account, and the amount of any Indebtedness of such Member that is assumed by the Company or that is secured by any property contributed by such Member to the Company.
- (c) Transfers. If any Member Transfers all or any number of its Membership Units in accordance with the terms of this Operating Agreement, its Transferee shall succeed to the Capital Account of the Transferor to the extent it relates to the Transferred Membership Unit.

3.2. Interpretation

The provisions of Section 3.1 and the other provisions of this Operating Agreement relating to the maintenance of Capital Accounts are intended to comply with Section 1.704-1(b) of the Treasury Regulations and shall be interpreted and applied in a manner consistent therewith. In the event the Operating Committee reasonably determines that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits thereto (including, without limitation, debits or credits relating to Indebtedness that is secured by contributed or Distributed property or that is assumed by the Company or the Members), are computed in order to comply with such Regulations, the Operating Committee may make such modification, provided that it is not likely to have a material effect on the amounts of Distributions to any Member pursuant to Section 4 upon the dissolution of the Company. The Operating Committee also shall have the right (i) to make any adjustments that are reasonably necessary or appropriate to maintain equality between the Capital Accounts and the amount of capital reflected on the Company's balance sheet, as computed for book purposes, in accordance with Section 1.704-1(b)(2)(iv)(g) of the Treasury Regulations, and (ii) to make any reasonably appropriate modifications in the event unanticipated events might otherwise cause this Operating Agreement not to comply with Section 1.704-1(b) of the Treasury Regulations, provided that in either case (i) such adjustment or modification is not likely to have a material effect on the amounts of Distributions to any Member pursuant to Section 4 upon the dissolution of the Company and (ii) the Company's regular accountants agree that such adjustments are reasonably necessary or appropriate.

3.3. Provisions Regarding Raising Additional Equity

In addition to Capital Contributions from the Members which may be made under Section 2.2, the Operating Committee may cause the Company to raise additional capital through the sale of additional Membership Units or securities convertible into Membership Units in accordance with the following procedure:

- (a) At least 30 days prior to the date on which the Company proposes to sell additional Membership Units to any Person who is not a Member (a "Third Party"), subscriptions, options, warrants, calls, puts or other rights ("Rights") for the issuance or purchase of any Membership Units or other equity securities of the Company (including securities convertible into or exchangeable for any Membership Units or other securities) or any understandings or commitments of any kind for the issuance of any Membership Units, Rights or any equity securities or other securities (hereafter such securities shall be referred to as "Equity Securities"), the Company shall provide written notice to all of its Members, which notice shall set forth the terms and conditions of such sale.
- (b) Within the 30 day period following receipt of the Company's notice as provided in clause (a) above, each of the Members shall have the right (the "Preemptive Right"), exercisable by written notice to the Company, to maintain such Member's proportionate share of Membership Units by purchasing such Member's proportionate share of the Equity Securities proposed to be offered for sale by the Company, upon the terms and conditions set forth in the Company's notice delivered pursuant to clause (a) above.
- (c) In the event that any of the Members shall exercise such Member's Preemptive Right, the Company shall sell the Equity Securities to such Member upon the terms and conditions set forth in the Company's notice described in clause (a) above and shall be free to effectuate a sale to a Third Party of any Equity Securities as to which the Members do not exercise the Preemptive Right upon the terms and conditions set forth in the Company's notice described in clause (a) above, within 60 days following the date of such notice.
- (d) In the event that the sale of Equity Securities is not completed within the 60 day period referred to in clause (c) above, then any sale of Equity Securities shall again be subject to the provisions of this Section 3.3.

4. Distributions.

4.1 In General

Except as otherwise provided in this Section 4, Distributions shall be made to the Members in proportion to the number of Membership Units held by each and at such times and in such form as determined by the Operating Committee.

4.2. Tax Distributions

- Current Tax Distributions. To the extent permitted by law and consistent with the Company's obligations to its creditors, the Company shall make Tax Distributions for the current Fiscal Period on or before March 15, June 15, September 15 and December 15 and, if necessary for the prior Fiscal Period, on or before March 15 (the "Tax Distribution Date"). The aggregate amount of the Tax Distribution made shall be determined by the Operating Committee and shall be the product of (1) the Company's estimated U.S. federal taxable income, calculated under the provisions of the Code for the portion of the Fiscal Period commencing on the first day of the calendar month that includes the immediately preceding Tax Distribution Date and ending on the last day of the calendar month immediately preceding the Tax Distribution Date multiplied by (2) the Net Tax Rate. The aggregate amount of each Tax Distribution shall be distributed to the Members in proportion to the number of Membership Units held by each Member as of the last day of the calendar month immediately preceding such Tax Distribution Date.
- (b) Additional Tax Distributions. In the event any income tax return of the Company, as a result of an audit or otherwise, reflects items of income, gain, loss, or deduction that are different from amounts previously reported where such difference results in additional income or gain of the Company being allocated to Members, an additional Tax Distribution shall be made to such Members under the principles of Section 4.2(a).

4.3. Liquidating Distributions

If the Company is liquidated pursuant to Section 9, the assets to be Distributed pursuant to Section 9.3(c) shall be Distributed to the Members in accordance with their Capital Account balances, after making the adjustments under Section 3 for allocations of Profits and Losses of the Company attributable to the Fiscal Period ending on the date of liquidation and the liquidation itself.

4.4 Preferred Distributions.

The Company shall make the following preferred Distributions to its Members:

- (a) On the first anniversary of the date hereof, Sentry shall receive, prior to any Distribution to SPC-WI or SPC-GA under Section 4.4(c):
 - (i) Two Hundred Thousand Dollars (\$200,000), less the amount (if any) of the Company's Negative Cash Flow (as defined in the Sentry Subscription Agreement) during the one (1) year period prior to such anniversary; provided, however, that if the Company's Negative Cash Flow during such one-year period exceeds Two Hundred Thousand Dollars (\$200,000), then no such Distribution shall be made; and
 - (ii) The actual interest accrued in the segregated account in which the Initial Cash Contribution (as defined in the Sentry Subscription Agreement) (or any balance thereof) is kept.
- (b) If the value of the Net Contributed Sentry Assets (as defined in the Sentry Subscription Agreement) exceeds One Hundred Fourteen Thousand Seven Hundred Thirty-Two Dollars (\$114,732), then the Company shall five (5) days after the Closing Balance Sheet is final as provided in the Asset Purchase Agreement, make a Distribution to Sentry in the amount of such excess (but not more than Fifty Thousand Dollars (\$50,000)).
- (c) On the later of the first anniversary of the date hereof or such month end date(s) on which the Company has had, in the aggregate since the date hereof, Positive Cash Flow, SPC-WI and SPC-GA shall each receive half of the following Distributions:
 - (i) the unpaid interest accrued to such date at a rate of three percent (3%) per annum, on a principal amount of Sixty-Six Thousand Dollars (\$66,000) as reduced by any Distribution(s) made under Section 4(c)(ii); and
 - (ii) the amount by which (A) the aggregate Positive Cash Flow as of such date exceeds (B) the aggregate interest accrued and

paid to date under Section 4(c)(i) and any amounts previously Distributed under this Section 4(c)(ii); provided, however, that SPC shall not be entitled to receive, in the aggregate, more than Sixty-Six Thousand Dollars (\$66,000) under this subsection 4(c)(ii).

5. Allocation of Profits and Losses

Except as provided on Exhibit C hereto, Profits and Losses shall be allocated among the Members in proportion to the number of Membership Units held by each Member.

6. Delegation of Authority to Managers and Operating Committee; Indemnification; Withdrawal by Managers and Members of Operating Committee

6.1. Operating Committee

The business and affairs of the Company generally shall be managed by an Operating Committee. The Operating Committee shall be comprised of four (4) Committee Members. Sentry shall be entitled to designate two (2) Committee Members, unless Sentry's percentage of the Membership Units held falls below fifty percent (50%), in which event one of Sentry's Committee Members shall be removed from the Operating Committee and Sentry shall be entitled to designate one (1) Committee Member, or unless Sentry no longer holds any Membership Units, in which case all of Sentry's Committee Members shall be removed from the Operating Committee and Sentry shall not be entitled to designate any Committee Member. SPC-WI and SPC-GA shall together be entitled to designate two (2) Committee Members, unless their aggregate percentage of Membership Units held falls below fifty percent (50%), in which event one of their Committee Members shall be removed from the Operating Committee and they shall be entitled to designate one (1) Committee Member, or unless they no longer hold any Membership Units in the aggregate, in which case all of their Committee Members shall be removed from the Operating Committee and they shall not be entitled to designate any Committee Member. A Committee Member shall not be considered a "manager" as defined in the IBFA or federal Treasury Regulations (whether final, temporary or proposed) for self employment tax or other purposes except to the extent that any such Committee Member is also a Manager under Section 6.2. As the initial Committee Members, SPC-WI and SPC-GA select Brock Brownrigg and Steve Nelesen and Sentry selects Joseph Breskman and Benjamin Breskman.

6.2. Managers

- The day-to-day management of the business of the Company shall be conducted by a Primary Manager (or Primary Co-Managers, as provided in Section 6.2(b), below) and a Secondary Manager. The initial Primary Manager shall be Benjamin Breskman and the initial Secondary Manager shall be Brock Brownrigg. The Primary Manager and the Secondary Manager shall each have the authority, duties, and obligations as are provided in this Operating Agreement and are hereinafter collectively referred to as the Managers. Except for situations in which the approval of the Operating Committee or Members is expressly required by this Operating Agreement or by nonwaivable provisions of the IBFA, the Primary Manager shall have full and complete authority, power and discretion to manage and control the business, affairs, and properties of the Company, to make all decisions regarding those matters, and to perform any and all other acts or activities customary or incident to the management of the Company's business. In the absence of the Primary Manager, the Secondary Manager shall have all authority, power and discretion of the Primary Manager for a period not exceeding 12 months or, if earlier, until the successor Primary Manager is selected under Section 6.3(e).
- (b) At any time and for any reason or no reason, SPC-WI and SPC-GA may elect, by a notice to Sentry and the Company designating a Primary Co-Manager, that Primary-Co-Managers shall conduct the day-to-day management of the business of the Company. In the event that a Primary Co-Manager is so designated, the initial Primary Co-Managers shall be the Primary Manager at the time of such designation and such designated Primary Co-Manager. The Primary Co-Managers shall together have the authority, duties, and obligations of the Primary Manager as provided in this Operating Agreement. Except for situations in which the approval of the Operating Committee or Members is expressly required by this Operating Agreement or by nonwaivable provisions of the IBFA, the Primary Co-Managers shall, acting together, have full and complete authority, power and discretion to manage and control the business, affairs, and properties of the Company, to make all decisions regarding those matters, and to perform any and all other acts or activities customary or incident to the management of the Company's business.

6.3. Actions Requiring Operating Committee Approval

Unless the Operating Committee by consent of a majority of the Committee Members in accordance with Section 6.5 approves of the following actions, the Company shall not, and the Managers shall not have the power to cause the Company to, do any of the following:

- (a) Capital Expenditures Budget. Incur any capital expenditure of more than Five Thousand Dollars (\$5,000), which has not been approved generally in the annual capital expenditure budget submitted to the Operating Committee for approval or which exceeds by more than Five Thousand Dollars (\$5,000) the amount for such capital expenditures which has been included in such budget;
- (b) Joint Ventures. Enter into any agreement relating to a joint venture, partnership or similar arrangement, whether the vehicle therefor is a corporation, partnership, limited liability company or other entity;
- (c) Contracts or Commitments. Execute any contract, or make any commitment, obligating the Company to annual payments in excess of Sixty Thousand Dollars (\$60,000) for such contract or commitment;
- (d) Sale or Redemption of Equity Securities. Sell or issue or agree to sell or issue any Equity Securities to any Third Party other than in accordance with Section 3.3 or accept any Capital Contribution or redeem or repurchase any Equity Securities or Membership Units;
- (e) Managers. Appoint any successor Manager for the Primary Manager;
 - (f) New Members. Admit new Members to the Company;
- (g) Fundamental Changes. (i) Enter into any transaction of merger or consolidation involving the Company; (ii) liquidate, wind-up or dissolve the Company (or allow the Company to suffer any liquidation or dissolution); (iii) convey, sell, lease, sublease, transfer or otherwise dispose of in one transaction or series of transactions any part of the Company's business or assets that represents more than 50% of the Value of the Company's assets, or the capital stock of or other equity interests in any corporation, limited liability company, partnership or other business entity in which the Company, directly or indirectly, shall own 50% or more of the outstanding voting stock or voting interests, as the case may be; or (iv) effect any sale of Equity Securities of the Company or any successor of the Company to the public (an "IPO") pursuant to an underwritten public offering pursuant to a registration statement filed with the Securities and Exchange Commission (the "SEC");

- (h) Member Compensation. Increase the annual compensation to any Member or family member of a Member by more than 20%;
 - (i) Bank Accounts. Open any bank accounts;
- (j) Principal Office. Change the location of the Company's principal office;
- (k) Name. Change the name under which the Company conducts its business;
 - (1) Guaranty. Enter into any guaranty;
- (m) Compensation. Fix the compensation or fee of any Manager, Member, officer or Committee Member;
- (n) Employee Benefit Plan. Establish or modify in any material respect any employee benefit plan;
- (o) IPO Matters. Approve matters relating to an IPO, including the filing of the registration statement, the application for listing of Equity Securities on an exchange and the selection of any underwriter;
- (p) Bankruptcy Filing. File a voluntary petition under applicable bankruptcy laws or appoint a receiver for the Company's assets;
- (q) Indemnification. Determine whether a Member or one of the Managers has breached or failed to perform a duty to the Company which would limit that person's right (if any) to receive indemnification pursuant to this Agreement under the IBFA;
- (r) Purchase or Sale of Assets. Purchase or sell assets of the Company valued at more than Ten Thousand Dollars (\$10,000) except sales of the Company's products in the ordinary course of business;
 - (s) Fiscal Year. Fix or change the Company's fiscal year;
- (t) Voting Rights. Exercise voting rights with respect to any investments of the Company;
 - (u) Auditors. Select or change the Company's auditors;

- (v) Transfer. Appoint a transfer agent or registrar;
- (w) Loans. Lend money or extend credit to any Member or any employee, shareholder, partner or other affiliate of any Member, or (except for trade credit extended in the ordinary course of business) lend money or extend credit in excess of Five Thousand Dollars (\$5,000); or
- (x) Distributions. Make any distributions except as permitted or required by this Agreement.
- (y) Sales to Members. Make any sale of the Company's products to any Member except at a price and on terms available to each other Member.
- (z) Borrowing. Borrow money (except trade debts incurred in the normal course of business), pledge the property of the Company as collateral, or agree to allow any lien or encumbrance to attach to any property of the Company.

Upon approval of the Operating Committee in accordance with the terms hereof, of any action described in this Section 6.3, the Company and the Managers shall have authority to effect such approved action.

6.4. Certificate of Authority

Any person dealing with the Company, the Operating Committee, or the Managers may rely upon a certificate signed by a Manager as to:

- (a) The identity of the Members of the Operating Committee or the Managers;
- (b) The existence or non-existence of any fact that constitutes a condition precedent to acts by the Operating Committee or the Managers or any other matter germane to the affairs of the Company;
- (c) The persons who are authorized to execute and deliver any instrument or document on behalf of the Company; or
- (d) Any act or failure to act by the Company, the Members or the Operating Committee, or as to any other matter whatsoever involving the Company, any Member or the Operating Committee.

6.5. Actions by Operating Committee

Any actions of the Operating Committee shall be taken by the Committee Members pursuant to this Section 6.5.

- (a) Manner of Acting. The consent of the Committee Members to any act or failure to act may be given at a meeting in which at least Four (4) of the Committee Members participate in person or by telephonic means, or in a writing signed by all Committee Members. Meetings of the Operating Committee may be called by the Managers or any two Committee Members. Meetings shall be held at the principal place of business of the Company unless a majority by number of the Committee Members agree otherwise (in which case the alternate site shall be set forth in the notice of meeting), but Committee Members shall be entitled to attend all meetings by telephonic means.
- (b) Records. The Company shall keep written records of all actions taken by the Committee.
- (c) Voting. Each Committee Member shall be entitled to one vote. Any Committee Member abstaining from voting on a given issue will be deemed to have voted in the same manner as the majority, if any, of the Committee Members not abstaining from voting on that issue. Actions of the Operating Committee shall be taken by approval of a majority by number of votes the Committee Members are entitled to cast.
- Notice. No matter shall be voted upon at a meeting of the (d) Operating Committee unless at least five business days' advance notice of such meeting and each matter to be considered thereat is given or such notice is waived in writing or by attendance in accordance with the next sentence hereof. A Committee Member shall be deemed to have waived notice of any matter acted upon at any meeting he attends or in which he participates if it is announced that a meeting is taking place at which official business may be transacted unless at the beginning of the meeting or promptly upon commencement of participation therein he objects to the consideration of such matter because of a lack of proper notice. Written records kept pursuant to Section 6.5(b), of a meeting at which a Committee Member was present or in which he participated shall be prima facie evidence that such Committee Member was duly notified of the matters voted upon at such meeting or waived the requirement of such notice, unless his objection as required hereby is noted in such records or such Committee Member delivers to the Company a written notice that such

records failed to show the Committee Member's objection, promptly after receiving a copy of such records. No prior notice shall be required for any action taken by unanimous written consent.

6.6. Indemnification

The Company shall indemnify all Managers and Committee Members against Liabilities and Expenses (except with respect to obligations under mortgages existing as of the date hereof and mortgages on any property contributed to the Company) incurred in connection with a Proceeding if such person is made a party to a Proceeding as a result of acting as a Manager or Committee Member, provided, however, that the Company shall not indemnify any Manager or Committee Member for the Liabilities and Expenses incurred in a Proceeding as to which such Manager or Committee Member shall have been finally determined, by or on behalf of the Company, to have acted or failed to act in a manner that constitutes any of the following: (a) a willful failure to deal fairly with the Company or the Members in connection with a matter in which the Manager or Committee Member has a material conflict of interest; (b) a violation of criminal law, unless the Manager or Committee Member had reasonable cause to believe that the person's conduct was lawful; (c) a transaction from which the Manager or Committee Member derived an improper personal profit; or (d) willful The Company shall advance Expenses to such Manager or Committee Member as incurred, to the fullest extent permitted or required by the IBFA.

6.7. Withdrawal by Managers

- (a) Events of Withdrawal of Managers. A person shall cease to be a Manager upon the earliest to occur of any of the following: (i) his voluntary resignation; (ii) his removal by the Operating Committee acting in accordance with Section 6.5; or (iii) his death, Complete Disability or inability to act as a Manager for any reason.
- (b) Effect of Withdrawal. If a Manager ceases to be a Manager for any reason, the remaining Manager or Managers, if any, shall continue to act as such unaffected thereby. The Operating Committee shall as promptly as practicable upon withdrawal of a Manager choose a successor Manager. If the Company at any time lacks Managers, including without limitation, due to the absence of the Primary Manager for a period of

12 months, the Operating Committee shall conduct the business and affairs of the Company in accordance with Section 6.5 unless and until the Operating Committee appoints a successor Manager or Managers. The lack of Managers shall not cause a dissolution or termination of the Company.

6.8. Withdrawal by Committee Members

- (a) Events of Withdrawal of Managers. A person shall cease to be a Committee Member upon the earliest to occur of any of the following: (i) his voluntary resignation; (ii) his death, Complete Disability or inability to act as a Committee Member for any reason; or (iii) his removal by the Member appointing him.
- (b) Effect of Withdrawal. If a Committee Member ceases to be a Committee Member for any reason, the Member which appointed such Committee Member shall appoint a successor Committee Member. If the Company lacks an Operating Committee, the Members shall conduct the affairs of the Operating Committee by a majority vote of the number of votes the Committee Members are entitled to cast until a successor Operating Committee is in place. The lack of an Operating Committee shall not cause a dissolution or termination of the Company.

6.9. Restriction on Authority of Members

No Member, in its capacity as such, shall have the authority to act for the Company in any matter and shall only have the rights specifically designated to such Member in this Agreement. This Section 6.9 constitutes a restriction on the management rights and duties of the Members to the extent such rights and duties have been delegated to the Operating Committee and Managers pursuant to this Operating Agreement.

6.10. Actions and Meetings of Members

Any actions of the Members shall be taken pursuant to this Section 6.10.

(a) Manner of Acting. The consent of the Members to any act or failure to act may be given at a meeting at which Members holding more than fifty percent (50%) of the Membership Units participate in person or by telephonic means, or in a writing signed by all holders of Membership Units. Meetings of the Members may be called by Members holding in the aggregate more than fifty percent (50%) of the Membership Units. Meetings of the Members shall be held at the principal place of business of

the Company unless the Members holding the majority of the Membership Units otherwise agree (in which the case the alternative site shall be set forth in the notice of meeting), but Members shall be entitled to attend all meetings by telephonic means.

- (b) Records. The Company shall keep written records of all actions taken by its Members.
- (c) Voting. Each Membership Unit held by each Member shall entitle such Member to cast one vote. Unless otherwise provided in this Agreement, actions of the Members shall be taken by approval of the majority of the Membership Units in the Company present at a meeting at which Members holding more than fifty percent (50%) of the Membership Units participate in person or by telephonic means, or by unanimous written consent of the Members holding Membership Units. Members shall have the power to take or cause the Company to take any lawful action, subject to the limitations set forth herein and in the IBFA.
- Notice. No matter shall be voted upon at a meeting of the (d) Members unless at least five business days' advance notice of such meeting and each matter to be considered thereat is given to holders of Membership Units or such notice is waived in writing or by attendance in accordance with the next sentence hereof. A Member shall be deemed to have waived notice of any matter acted upon at a meeting such Member attends or in which such Member participates if it is announced that a meeting is taking place at which official business may be transacted unless at the beginning of the meeting or promptly upon commencement of participation therein such Member objects to the consideration of such matter because of lack of proper notice. Written records kept pursuant to Section 6.11(b), of a meeting at which a Member was present or in which such Member participated shall be prima facie evidence that such Member was duly notified of the matters voted upon at such meeting, or waived the requirement of such notice, unless such Member's objection as required hereby is noted in such records or such Member delivers to the Company a written notice that such records failed to show the Member's objection promptly after receiving a copy of such records. No prior notice shall be required for any action taken by the holders of Membership Units by unanimous written consent.

7. Transfers of Membership Units

7.1. General Restrictions on Transfers

Transfers of Membership Units owned now or in the future may be made only in accordance with, and shall be given only the effect provided in, this Section 7.

7.2. Transfer to Permitted Transferees

Except as provided in this Section 7, a Member may Transfer all or any portion of its Membership Units to an existing Member or a Permitted Transferee, provided that the applicable provisions of this Section 7.2 must be complied with before the Transfer will be effective.

- (a) Signed Agreement. The Permitted Transferee must sign a counterpart to this Operating Agreement, agreeing to be bound by this Operating Agreement (including, without limitation, the transfer restrictions) as if the Permitted Transferee had been an original party hereto.
- (b) Spousal Consent. The spouse, if any, of any Permitted Transferee who is a resident of Wisconsin or any other state with a similar marital or community property act must execute a Spousal Consent and Acknowledgment in the form approved by the Operating Committee.
- (c) Compliance. The Permitted Transferee must take all actions and execute all instruments required by the Company in order for such transfer to comply with the applicable federal or state laws and regulations relating to the transfer of interests in the Company or with this Operating Agreement.

7.3. Other Transfers

Subject to Section 8 and except with respect to Control Sales as to which the provisions of Section 7.7 shall apply, transfers on death, disability, termination of employment or dissolution of a Member as to which Section 7.8 shall apply, and transfers upon the death of a Member's spouse or dissolution of marriage as to which Section 7.9 shall apply, a Transferor shall have the right to Transfer all or any number of its Membership Units to any Person who is not a Permitted Transferee of such Transferor in any transaction which is not a Control Sale only in accordance with this Section 7.3.

(a) Notice to Company and Members. The Transferor shall at least 60 days prior to a proposed voluntary Transfer, or, in the case of the

Dissociation of a Member, the Transferee shall immediately after the resulting Transfer, deliver a Notice of Transfer to the Company and to the Members other than the Transferor. To the extent that the Transferee does not deliver a Notice of Transfer, the Company may deliver the Notice of Transfer to the Members other than the Transferor. The Notice of Transfer shall constitute an Offer to sell the number of Membership Units identified therein first to the Company, and then to the Members (other than the proposed Transferor or any Permitted Transferee of the proposed Transferor), as described in Section 7.3(b), on the terms and conditions of the Proposed Transfer and for an amount equal to the value, if any, to be paid or furnished by the Transferee in consideration of the Membership Units.

- Option to Purchase. (b) Within 60 days after the date of the Notice of Transfer, the Company shall have the right to accept the Offer as to all or any number of such Membership Units proposed to be transferred and identified in the Notice of Transfer (the "Offered Membership Units") by delivering notice of such acceptance to the Transferor within such 60 day period. If the Company fails to respond to the Notice of Transfer within such 60-day period, or if the Company accepts the Offer with respect to less than all of the Offered Membership Units identified in the Notice of Transfer, or if the Company fails through no fault of the Transferor or Transferee to close the Transfer within the applicable time period established therefor, the Members (other than the proposed Transferor or any Permitted Transferee of the proposed Transferor) shall have the right to accept the Offer as to all of the remaining Offered Membership Units by delivering notice of such acceptance to the Transferor within 14 days after the Company's 60-day option period expires. Members in the aggregate accept the Offer with respect to more Membership Units than were actually Offered, such Offer shall be deemed to have been accepted by each accepting Member as to a fraction of the Offered Membership Units, the numerator of which fraction is the number of Membership Units held by such accepting Member and the denominator of which is the total number of Membership Units held by all accepting Members.
- (c) Failure to Exercise. If the Members fail to respond to the Notice of Transfer within the 14 day period referred to in Section 7.3(b), or if the Members accept the Offer with respect to less than all of the remaining Offered Membership Units identified in a Notice of Transfer or if the Members fail through no fault of the Transferor or Transferee to close the Transfer within the applicable time period established therefor, the

Transfer shall become effective as described in the Notice of Transfer and subject to the following:

- (i) The Transferor may Transfer all (but not less than all) of the Offered Membership Units identified in the Notice of Transfer to the third party designated in the Notice of Transfer on the same terms and conditions specified in the Notice of Transfer, provided that the closing is made before the expiration of two months after the expiration of the Members' 14-day option period described above.
- (ii) The Transferee must, as part of the closing of the Transfer, sign a counterpart to this Operating Agreement, agreeing for the benefit of the other Members to be bound by this Operating Agreement (including, without limitation, the transfer restrictions) to the same extent as if the Transferee had been an original party hereto as a Member, except as provided in Section 7.4. Irrespective of whether such Transferee has executed such a counterpart or otherwise accepted and adopted in writing the terms and provisions of this Operating Agreement, such Transferee shall be deemed by the acceptance of the benefit of the acquisition of such Offered Membership Units to have agreed to be subject to and bound by all the obligations in the Operating Agreement that any predecessor in interest of such person was subject to or bound by
- (iii) The Transferee must, as part of the closing of the Transfer, take all actions and execute all instruments required by the Company in order for such Transfer to comply with any applicable federal or state laws and regulations relating to the Transfer of the Offered Membership Units or with this Operating Agreement.
- (iv) If the Transfer would otherwise result in the dissolution of the Company pursuant to Section 9.1, the Company shall, as soon as practicable after but in any event within 30 days of receipt of notice of the Transfer, send notice thereof to the remaining Members requesting their consent to continue the Company.

7.4. Effect of Transfers

(a) Membership. Notwithstanding anything to the contrary herein, no Transferee shall be admitted to the Company as a Member unless and until the nontransferring Members owning a majority of the outstanding Membership Units owned by such Members consent, in their sole

discretion, which consent can be unreasonably withheld, to admit such Transferee as a Member. Any Transferee seeking admission as a Member shall execute such documents and comply with the procedure established by the Operating Committee as to admission of new Members.

- (b) On Transferee. Until a Transfer is effective and the Transferee is admitted as a Member, if ever, by the Operating Committee pursuant to the applicable provisions of Section 6, and the Voting Members pursuant to Section 7.4(a), the Membership Units Transferred to a Transferee pursuant to Section 7, shall be considered in all respects as Membership Units held by the Member from whom they were Transferred for purposes of this Operating Agreement other than the economic rights and obligations set forth in Sections 3, 4 and 5, the economic provisions of which will apply to the Transferee as though the Transferee held such Membership Units. When a Transfer is effective and the Transferee is admitted as a Member, if ever, pursuant to the applicable provisions of Section 6 and this Section 7, Exhibit A hereto shall be amended to reelect the Transferee as a Member.
- Until a Transfer is effective and the On Transferor. Transferee is admitted as a Member, if ever, by the Operating Committee pursuant to the applicable provisions of Section 6 and the Members pursuant to Section 7.4(a), and except as otherwise provided in this Operating Agreement, any actions that a Member takes or would be entitled to take with respect to Membership Units, including, without limitation, votes, consents, offers, options, or other deeds taken pursuant hereto, shall be taken by such Member for any Transferee to whom the Member has Transferred all or any portion of its Membership Units with respect to the Membership Units Transferred thereto. This Section 7.4(c) constitutes an irrevocable and absolute proxy and power of attorney (such proxy and power being coupled with an interest) granted by each Transferee to such Member to (i) take such actions on behalf of the Transferee without any further deed than the taking of such action by the Member, and (ii) sign any document or instrument evidencing such action for or on behalf of the Transferee relating to the Membership Units held by the Transferee
- (d) Dissociation. Notwithstanding the provisions of Sections 7.3(b) and 7.3(c), upon the Dissociation of a Member, the Membership Units that are or have been Transferred, if any, to Transferees by that Member, including Transfers resulting from the Dissociation, shall not be taken into consideration under this Operating Agreement, except with respect to the economic provisions of Sections 3, 4 and 5, unless and

until the Transferee thereof has been admitted as a Member pursuant to Section 6 and this Section 7, if ever. If, as a result of this Section 7.4(d), there are either no Members or no Membership Units with respect to which any Member is entitled to vote, then all Transferees otherwise holding Membership Units shall be entitled to vote with respect to such Membership Units.

7.5. Time and Place of Closing

Except as otherwise agreed by the Transferor and the Transferee, the closing of any Transfer pursuant to this Section 7 (other than under Section 7.10) shall occur at the Company's principal office on such day as the Transferee shall select pursuant to the provisions of this Section 7. The Transferee shall notify the Transferor and the Company in writing of the exact date and time of closing at least ten (10) days prior to the date of closing.

7.6. Transfer and Payment of Purchase Price

At the closing, the Transferor shall deliver the Membership Units that are subject to the Transfer free and clear of any liens, security interests, encumbrances, charges or other restrictions (other than those created pursuant to this Operating Agreement), together with all such instruments or documents of conveyance as shall be reasonably required in connection with the Transfer and the Transferee shall deliver the purchase price for the Transferred Membership Transfers to third parties, or to the Company or Members exercising options described in Section 7.3(b), shall be made on the price, terms and conditions of the Notice of Transfer. The closing date and purchase price for other Transfers will be determined by the following procedure: Within ten days after a request by the Transferor or Transferee, the Company shall request the Accounting Firm to determine the Company's equity per Membership Unit as of the first day of the month preceding the month in which such request by the Transferor or Transferee is made, and the Accounting Firm shall make such determination and deliver it to the Company, the Transferor, and the Transferee within fifteen (15) days after such request. If the Transferor does not object to the amount determined within ten (10) days after receiving such notice from the Accounting Firm, such equity per Membership Unit shall be the per-Membership Unit price at which the Transfer shall take place. If the Transferor objects to such per-Membership Unit price in writing to the Company within such ten (10) day period, then within ten (10) days after its receipt of such objection, the Company shall request the Accounting Firm to determine and communicate to the Company and the Transferor in writing, at the Company's expense, within 90 days of appointment, a per-Membership Unit value based on generally accepted appraisal

techniques and principles in the United States without regard to discounts (including but not limited to discounts for minority ownership and lack of marketability). If the Transfer objects to the Accounting Firm's valuation within ten (10) days of the accounting firm's determination and communication to the Company and the Transferor of such valuation, the Transferor (at such Transferor's expense) may retain a second appraiser within such ten (10) day period. The Accounting Firm and the appraiser retained by the Transferor shall, within ten (10) days after the appointment of the Transferor's appraiser, appoint a third appraiser who will, within ninety (90) days of appointment, render a determination of the per-Membership Unit value which shall be final for purposes hereof. If the Accounting Firm for the Company and the appraiser retained by the Transferor fail to appoint the third appraiser within 10 days of the appointment of the Transferor's appraiser, or if the third appraiser fails to make a determination within the required time, either the Company or the Transferor may petition a court of competent jurisdiction to appoint a third appraiser. If the determination made by the third appraiser varies by more than twenty percent (20%) from the determination by Accounting Firm, the cost of the third appraiser shall be split equally between the Transferor and the Company. If the determination made by the third appraiser does not vary by more than twenty percent (20%) from the determination by the Accounting Firm, the Transferor shall pay for the cost of the third appraiser. The closing of any such transaction shall occur within ten (10) days after the per-Membership Unit price is finally determined in accordance with this section 7.6, at the offices of the Company or such other location as the Company, the Transferor and the Transferee may agree. In the event of death, insurance proceeds payable to the Company shall be paid to the seller if the Company purchases the Units, and the remaining balance shall be paid in installments. For sales other than upon death or a third-party offer, the purchase price shall be paid in installments. Installments will be paid over a minimum of five and a maximum of fifteen years and the amount will be dependent upon the positive cash flow from the Company after determining reasonable working capital needs and distributions required by this Agreement. The installments shall include interest. If more than one Member's interests are being redeemed at the same time, the amount of the installment payments to each shall be reduced in a pro rata manner based on the then existing principal balance.

7.7. Special Provisions Regarding Control Sales

One or more Members (collectively, a "Majority Member") may effect a Control Sale to any Person or Persons whatsoever, at any time and from time to time, subject only to the provisions of this Section 7.7.

- If a Majority Member shall at any time Co-Sale Rights. (a) propose to effect a Control Sale, then the Majority Member shall give written notice of the proposed Control Sale (the "Control Notice") to each of the other Members (the "Non-Majority Members"). The Control Notice shall set forth the number of Membership Units to be Transferred (the "Transferred Units"), the name and address of the proposed transferee and the terms and conditions (including the sale price) of the proposed Control Upon receipt of the Control Notice, each of the Non-Majority Members and such Member's Permitted Transferees shall have the right (the "Co-Sale Right") to sell in the contemplated Control Sale, at the same price and on the same terms and conditions as are set forth in the Control Notice, that percentage of Membership Units owned by such Non-Majority Member and such Member's Permitted Transferees as is equal to the percentage which the Transferred Units represent of the total number of Membership Units owned by the Majority Member. Within 25 days after the Control Notice is given to the Non-Majority Members, each Non-Majority Member shall notify the Majority Member in writing whether such Non-Majority Member and such Member's Permitted Transferees elect to participate in the Control Sale, and if so, the number of Membership Units that each of them wishes to sell (which number may not exceed the number described in the previous sentence). Non-Majority Member does not respond in writing within said 25 day period, such Non-Majority Member shall conclusively be deemed, on behalf of such Member and all such Member's Permitted Transferees, to have elected not to participate in the Control Sale. If a Non-Majority Member timely responds in writing within such 25 day period, such Non-Majority Member and such Member's Permitted Transferees will be irrevocably bound to consummate the proposed Control Sale with respect to the number of Membership Units as is indicated in the written response given by such Non-Majority Member, unless thereafter relieved of such obligation in writing by the Majority Member or unless the Majority Member has not completed the contemplated Control Sale within 180 days after the Control Notice. In the event the Majority Member has not completed the proposed Control Sale within such 180 day period, then the provisions of this Section 7.7 shall again apply to any Control Sale.
- (b) Bring-Along Rights. If the Majority Member shall at any time propose to effect a Control Sale, then the Majority Member shall have the right and option (the "Bring-Along Right"), exercisable by delivery of a written notice thereof to the Non-Majority Members, to require each of the Non-Majority Members and such Member's Permitted Transferees to sell to the third party purchaser in the Control Sale, in addition to the Transferred

Units and on the same terms and conditions as are applicable to the Majority Member, that percentage of the Membership Units owned by each such Non-Majority Member and such Permitted Transferees as is equal to the percentage which the Transferred Units represent of the total number of Membership Units owned by the Majority Member. The notice contemplated by the previous sentence shall be delivered to the Non-Majority Members within 30 days after the expiration of the 25 day period referred to in the third and fourth sentences of Section 7.7(a).

(c) Effecting Sale. If the Co-Sale Right or Bring-Along Right is exercised as provided herein, all Members other than the Majority Member shall take all lawful actions requested by the Majority Member to enable the Majority Member to enjoy the intended benefits of this Section 7.7 including, without limitation, (i) executing any purchase or sale agreements customary for holders of Membership Units in similar transactions and (ii) surrendering any certificates evidencing their Membership Units to be sold, properly endorsed for transfer, against payment of the consideration for such Membership Units.

7.8. Transfers on Death or Dissolution of a Member.

Upon the death or dissolution of a Member, the Company shall have the right, exercisable within 60 days after the date of such precipitating event, to purchase all or any of the Member's Membership Units (unless the Member assigns such Membership Units to a Permitted Transferee). The Company may exercise its option by delivering notice of such exercise to the Member or his personal representative within such 60-day period. If the Company fails to exercise its option within such 60-day period, or if the Company exercises its option with respect to less than all of such Member's Membership Units, or if the Company fails through no fault of the Member, his personal representative or the Transferee to close the Transfer within 120 days from the exercise of such 60-day option period, the Members (other than the Transferor or any Permitted Transferee of the Transferor) shall have the right to accept the offer as to all of the remaining Membership Units of such Member by delivering notice of such acceptance to the Transferor or his personal representative within 14 days after the Company's 60day option period expires. If Members in the aggregate exercise their option with respect to more Membership Units than remain after the Company exercises its option as to any portion of such Member's Units, each such other Member shall be deemed to have exercised the Option as to a fraction of the Transferor's Units, the numerator of which fraction is the number of Membership Units held by such exercising Member and the denominator of which is the total number of Membership Units held by all exercising Members. The Purchase Price and

Payment Terms shall be as described in Section 7.6 of this Operating Agreement. "Complete Disability" means physical or mental sickness or injury which renders the Member incapable of performing the services required of him or her as an employee of the Company, and which does or may be expected to continue for more than six months during any 12-month period. The Operating Committee and such Member shall determine the existence of a Complete Disability and the date upon which it occurred. In the event of a dispute regarding whether or when an event of Complete Disability has occurred, the Operating Committee and the Member shall, within 10 days of the date of the notice from the Members (or, if none, from the Company) exercising the option to purchase under this Section 7.8, refer the matter to a medical doctor. In the event of their failure to agree upon such medical doctor, the Operating Committee and the Member shall each, within 10 days of the expiration of the 10-day notice set forth in the preceding sentence, select a medical doctor who shall together, within 10 days after expiration of the immediately preceding 10-day period, select a third medical doctor who shall make the determination within 14 days after his/her appointment. If the doctors selected by the Operating Committee and the Member fail to appoint a doctor within the required time, or if the doctor fails to make his/her determination within the required time, either the Operating Committee or the Member may petition a court of competent jurisdiction to appoint a medical doctor to make the The doctor's determination hereunder shall be conclusive and determination. binding upon the parties hereto.

7.9. Transfers Upon the Death of a Member's Spouse or Dissolution of Marriage.

Upon the death of a spouse of a Member who is a Wisconsin resident or the resident of any other state with a statute similarly providing for marital or community property, or dissolution of such Member's marital relationship, such Member shall have the option, exercisable upon written notice to the spouse and the Company within 60 days of such precipitating event, to purchase the spouse's interest in the Membership Units. If the Member does not exercise such option within such 60 day period, the Company shall purchase such interest in Membership Units. Any purchase pursuant to this section shall be made on the purchase price, terms and conditions set forth in Section 7.6.

7.10. Dutch Auction.

This section 7.10 shall apply so long as SPC-WI, SPC-GA, and their Permitted Transferees (together, the "SPC Members") own in the aggregate fifty percent (50%) of the Membership Units, and Sentry and its Permitted Transferees (together, the "Sentry Members") own in the aggregate fifty percent (50%) of the

Membership Units. In the event the Members disagree with respect to a matter involving the Company, which disagreement cannot be resolved within thirty (30) days, or in the event either the Sentry Members or the SPC Members desire to sell the Company and the other Member(s) do not agree, either all of the Sentry Members or all of the SPC Members (the "Offeror") may submit an offer (the "Offer") to the other Member(s) (the "Offeree") stating the price upon which Offeror will, at the option of the Offeree, purchase all, but not less than all, of the Membership Units of the Offeree, or in the alternative, sell all, but not less than all, of the Offeror's Membership Units to the Offeree. Within sixty (60) days of receipt of the Offer, the Offeree shall inform the Offeror of the Offeree's election to either sell the Offeree's Membership Units or purchase the Membership Units of the Offeror at the price stated in the Offer (the "Election"). An Offer may be withdrawn by the Offeror at any time prior to the making of an Election. Failure to respond to the Offer within such sixty (60) day period shall be deemed to be an election by the Offeree to sell Offeree's Membership Units to the Offeror. If the party(s) purchasing Membership Units pursuant to an Offer under this section 7.10 fails to pay the purchase price, in cash or by certified or bank cashier's check, within ten (10) days after the Election, then the other Members shall have the right, for a period of ten (10) days after the end of such ten (10) day period, to purchase the Membership Units of such Member(s) at the same price, less five percent (5%). Except as otherwise agreed by the buyer(s) and seller(s), the closing of any sale pursuant to this Section 7.10 shall occur at the Company's principal office on such day as the buyer(s) shall select pursuant to the provisions of this section 7.10. The buyer(s) shall notify the seller(s) and the Company in writing of the exact date and time of closing at least two (2) days prior to the date of closing. At the closing, the seller(s) shall deliver the Membership Units that are subject to the Offer free and clear of any liens, security interests, encumbrances, charges or other restrictions (other than those created pursuant to this Operating Agreement), together with all such instruments or documents of conveyance as shall be reasonably required in connection with the Offer, and the buyer(s) shall deliver the purchase price for the offered Membership Units. If the purchase and sale pursuant to this section 7.10 is not consummated in accordance with the terms of the Offer and this subsection 7.10, all Membership Units shall again be subject to the terms and conditions of this Agreement and shall not be transferred except pursuant hereto.

7.11. Noncompetition Restriction

Each Member and shareholder and partner of a member hereby covenants and agrees that, during such time as he or it holds any Membership Units and for a period of two years thereafter, he/it shall not, and shall cause his/its Affiliates not to, directly or indirectly, in any capacity:

- (a) Participate in or become associated with, provide assistance to, engage in or have a financial or other interest in any business, activity or enterprise which is competitive with the manufacturing business of the Company or its Affiliates (the ownership of less than a five percent (5%) interest in a company whose shares are traded on a recognized stock exchange or traded on the over-the-counter market, even though that company may be a competitor of the Company, shall not be deemed financial participation in a competitor) (the sale of powder paint products shall not be considered to be competitive with the manufacturing business of the Company or its Affiliates);
- (b) Request or advise any of the Customers, referral sources or other business contacts of the Company and/or its Affiliates who currently have or have had business relationships with the Company and/or its Affiliates within the two-year period preceding the date of such disposition of Membership Units to withdraw, curtail or cancel any of their business relationships with the Company and/or its Affiliates; or
- (c) Induce or attempt to induce any employee, consultant or any other personnel of the Company and/or its Affiliates to terminate his or her relationship or breach his or her agreements with the Company and/or its Affiliates.

"Customer" shall mean any person or entity who is or, within the prior two years was, a purchaser of products or services from the Company and/or its Affiliates or under active solicitation to become a purchaser of products or services from the Company and/or its Affiliates.

7.12. Specific Performance

The parties declare that it may be impossible to measure in money the damages that will accrue to any party hereto by reason of a failure to perform any of the obligations under this Section 7, and agree that this Section 7 may be specifically enforced. Therefore, if the Company, any Member or Transferee institutes any action or proceeding to enforce the provisions herein, any Person against whom such action or proceeding is brought hereby waives the claim or defense that such party has or may have an adequate remedy at law, and such Person shall not urge in any such action or proceeding the claim or defense that such remedy at law exists and such person shall consent to the remedy of specific performance of this Operating Agreement. Notwithstanding the foregoing, no

party may specifically enforce the obligation not to withdraw voluntarily in breach of this Operating Agreement.

8. Absolute Restrictions on Transfers

Without unanimous written consent of the holders of Membership Units, no Transfer of any Membership Units may be made if, in the opinion of counsel for the Company, such transfer or assignment (i) will result in the Company being considered to have been terminated within the meaning of Section 708 of the Code; (ii) will result in the Company being treated as an association for federal income tax purposes; or (iii) will violate any applicable federal or state securities laws. Prior to making any Transfer of any Membership Units, the Transferor must notify the Company in writing and the Operating Committee shall, if it determines there is a material risk of violating this Section 8, obtain an opinion from the Company's legal counsel confirming whether the proposed Transfer will cause such termination, change in the status or violation of securities laws. Legal fees shall be the responsibility of the Transferor.

9. Dissolution, Termination and Liquidation of the Company

9.1. Events Causing Dissolution

The Company shall be dissolved upon the happening of any Dissolution Event or upon the Dissociation of any Member, unless within 90 days of the date on which the Company receives written notice of such Dissociation, the remaining holders of the Membership Units agree to continue the Company. For purposes of the preceding sentence any Member or Members whose Dissociation precipitated such vote and their Transferees, if any, shall abstain from voting.

9.2. Termination

Dissolution of the Company shall be effective on the date on which the Dissolution Event occurs or 90 days after Dissociation, but the Company shall not terminate until Articles of Dissolution have been duly filed under the IBFA, the affairs of the Company have been wound up, and the assets of the Company have been Distributed as provided in Section 9.3. Notwithstanding the dissolution of the Company, prior to the liquidation and termination of the Company, the business of the Company and the affairs of the Members, as such, shall continue to be governed by this Operating Agreement.

9.3. Liquidation

The Members shall appoint a liquidator of the Company, who may but need not be a Member or Manager. The liquidator shall have the same authority that is granted to the Managers but only to the extent necessary or appropriate to the winding up and liquidation of the Company, and the liquidator shall proceed with the winding up and liquidation of the Company by applying and distributing its assets as follows:

- (a) Payment of Indebtedness to Third Parties. The assets shall first be applied to the payment of the liabilities of the Company (other than any loans or advances that may have been made to the Company by a Member) and the expenses of liquidation.
- (b) Payment of Debts to Members. The remaining assets shall next be applied to the repayment of any loans or advances (but not any Capital Contribution) made by the Members to the Company, in proportion to the relative amounts lent or advanced thereby.
- (c) Payment of Distributions to Members. The remaining assets shall be Distributed to the Members pursuant to Section 4.3.
- (d) Reserve. Notwithstanding the provisions of Sections 9.3(a), 9.3(b), and 9.3(c), the liquidator may retain such amount as the liquidator reasonably deems necessary as a reserve for any contingent liabilities or obligations of the Company, which funds shall, after the passage of a reasonable period of time, be Distributed in accordance with the provisions of this Section 9.

A reasonable time shall be allowed for the orderly liquidation of the assets of the Company and the discharge of liabilities to creditors so as to enable the liquidator to minimize any losses resulting from the liquidation.

9.4. Filing and Notice

The liquidator shall promptly, upon his appointment, execute and file on behalf of the Company articles of dissolution as provided in Section 9-7 of the IBFA. The liquidator shall also notify the Company's known claimants as provided in Section 9-8 of the IBFA and publish a notice of the Company's dissolution as provided in Section 9-9 of the IBFA, except as otherwise determined by the liquidator with consent of the Members.

9.5. Distributions In Kind

If any assets of the Company are to be Distributed in kind, such assets shall be Distributed on the basis of their Value, and any Member entitled to an interest in such assets shall receive such interest therein as a tenant-in-common with all other Members so entitled.

9.6. Limitation on Liability

Each holder of Membership Units shall look solely to the assets of the Company for all Distributions from the Company and the return of its Capital Contribution thereto and shall have no recourse (upon dissolution or otherwise) against any other Members or any of their affiliates for such Distributions or Capital Contributions.

10. Additional Covenants of the Company

10.1. Books and Records

The Managers shall maintain or cause to be maintained accurate books and records of the Company. Such books and records shall be open to the inspection of each Member or its duly authorized representatives at such place during regular business hours within a reasonable time after receipt of a written request for such inspection. Any expense for any inspection (including any copying of such records) shall be borne by the Member causing such inspection to be conducted.

10.2. Reports

- (a) Financial Reports. The Managers shall within forty-five (45) days of the end of each Fiscal Period deliver to each Member annual financial statements of the Company which shall be prepared in accordance with the income tax basis of accounting method consistently applied and compiled by independent accountants and shall deliver to each Committee Member monthly financial statements in such form as are regularly prepared by the Company within 45 days of the end of each such month except for the financial statements for the months of January and February, which shall be delivered within 30 days after the date the compiled statements for the prior Fiscal Period are delivered.
- (b) Tax Reports. The Managers shall prepare and file, or cause to be prepared and filed, all necessary tax returns and information returns for the Company and shall pay the taxes shown to be due thereon. Each

Member shall timely provide such information, if any, as may be needed by the Company for purposes of preparing such tax and information returns. The Company shall deliver to each Member a copy of the Company's federal and state income tax and information returns for each Fiscal Period at least 30 days before the date such returns are filed. In addition, at the time it makes a Tax Distribution under Section 4.2, the Company shall deliver to each Member a statement indicating how the amount of the Tax Distribution to the Members was calculated.

(c) Annual Budget. The Company shall submit for approval by the Operating Committee in accordance with Section 6.3(a) the annual capital expenditure budget for the next Fiscal Period prior to the commencement of such Fiscal Period. The Company's capital expenditure budget for period beginning on the date hereof and ending on December 31, 2002 is attached hereto as Exhibit D.

10.3. Availability of Information

The Company shall keep at its principal office and place of business and each Member shall have the right to inspect and copy all of the following: (i) a current list of the full name and last-known business address of each Member or former Member set forth in alphabetical order, the date on which each Member or former Member became a Member and the date of its Membership, and the date on which any former Member ceased to be a Member, (ii) a copy of the Articles and all amendments thereto, (iii) copies of the Company's federal, state and local income tax returns and financial statements, if any, for its four most recent fiscal Periods, (iv) copies of this Operating Agreement and any other effective written amendments hereto, and (v) any records kept pursuant to this Operating Agreement.

10.4. Additional Covenants

- (a) Covenants of the Company. Unless otherwise consented to in writing by the holders of the Membership Units, the Company shall:
 - (i) Maintain the Company's existence, rights and properties;
 - (ii) Comply with all laws, rules and regulations applicable to its business and operations and to all obligations under written contracts to which it is a party;

- (iii) Provide notices to the Members of the institution by any third party of any litigation or proceeding which would have a material adverse effect on the Company; and
- (iv) Disclose to each Member any offer which the Company may receive relating to the sale of the Company or its assets.
- (v) Sell its products to any Member, at the request of such Member, at a price discount which shall be set from time to time by the Operating Committee; provided, however that in no event shall such discount be less than Five Percent (5%).
- Covenants of the Members. Unless otherwise consented to in (b) writing by the holders of the Membership Units, all Members, and all shareholders or partners of a Member and any of its or their officers, directors, shareholders, members, partners, employees and representatives (collectively, for purposes of this Section 10.4(b), "Members"), and all Affiliates of Members shall, at all times during the term of this Agreement, their ownership of or interest in any Membership Units, and thereafter, refrain from using or disclosing any of the Company's Confidential Information except with the prior written consent of the Primary Manager. For purposes of this Agreement, "Confidential Information" shall include, without limitation, all information which relates to procedures, processes, methods, trade secrets, ideas, improvements, intellectual property rights, clients or customers, and employees. Confidential Information does not include information (i) that, at the time of disclosure is publicly known (as demonstrated by the contemporaneous records of the disclosing party), (ii) that after disclosure, becomes publicly known other than as a result of a breach of this Agreement, (iii) that the recipient can show was known to it prior to the disclosure or (iv) that the recipient can show was made known to it by a third party who was not under any obligation of confidentiality to the Company. Each Member shall be responsible for the compliance of its shareholders and partners with the provisions of this Section 10.4(b). Upon breach of this provision, the Company shall have the right to avail itself of any remedy provided by this Agreement and/or applicable law, including, without limitation, specific performance in the manner described in Section 7.11 of this Agreement, and/or the right to purchase all Membership Units (and interests therein) of the breaching Member (or the Member whose shareholder and/or partner and/or any of their Affiliates has breached this Agreement) at a price equal to the lower of the following: (i) the capital account of such Member and (ii) the fair market value of such

Membership Units and interest owned by that Member in the Company taking into consideration valuation discounts related to the interest. Any Member breaching this Agreement (or whose shareholders and/or partners and/or any of their Affiliates breach this Agreement) shall be liable for damages to the extent the Company is harmed by such breach. Notwithstanding anything contained in this section 10.4(b), any Member may compete with the Company in the business of the sale (but not the manufacture) of powdered paint products, and may use the Company's Confidential Information for that purpose.

11. Miscellaneous

11.1 Permissible Activities

Except as described herein, any Member may engage in or possess interests in other business ventures of any kind and description and neither the Company nor any Member shall have any rights by virtue of this Operating Agreement in or to such other business ventures or to the income or profits derived therefrom.

11.2. Amendments to Operating Agreement

No amendment or modification hereof shall be valid unless in writing and approved as provided in Section 6.10.

11.3. Appointment of Managers as Attorney-in-Fact

The Company constitutes and appoints the Managers as its true and lawful attorneys-in-fact with full power and authority in its name, place and stead to execute, acknowledge, deliver, swear to, file and record at the appropriate public offices such documents as may be necessary or appropriate to carry out the provisions of this Operating Agreement, including, but not limited to, all certificates and other instruments and any amendment thereof, that the Managers deem appropriate to qualify or continue the Company as a limited liability company in the jurisdictions in which the Company conducts business or in which such qualification or continuation is, in the opinion of the Managers, necessary to protect the limited liability of the Members.

11.4. Binding Provisions

This Operating Agreement shall not inure to the benefit of any Person other than the parties hereto, and no third-party beneficiary claims may be based on this Operating Agreement.

11.5. Applicable Law

This Operating Agreement shall be governed by and construed in accordance with the laws of the State of Indiana without regard to its conflict or choice of laws provisions.

11.6. Separability of Provisions

Each provision of this Operating Agreement shall be considered separable and if for any reason any provision or provisions thereof are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those portions of this Operating Agreement that are valid.

11.7. Headings

Section headings are for descriptive purposes only and shall not control or alter the meaning of this Operating Agreement as set forth in the text.

11.8. Interpretation

When the context in which words are used in this Operating Agreement indicates that such is the intent, words in the singular shall include the plural and vice versa, and pronouns in the masculine shall include the feminine and neuter and vice versa.

11.9. Dispute Resolutions

Except as otherwise provided in Section 7.6 and Section 7.11 of this Agreement, any controversy or claims arising out of or relating to this Operating Agreement or the breach thereon shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association in Terre Haute, Indiana and judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. If the parties cannot agree on the choice of a single arbitrator within 15 days after receipt of a notice of arbitration, then each party shall select its own arbitrator and the arbitrators so selected shall select an independent third arbitrator, and the arbitration shall be decided by such independent arbitrator. Each of the parties reserves the right to file with a court of competent jurisdiction an application for temporary or

preliminary injunctive relief or a temporary protective order on the grounds that the arbitration award to which the applicant may be entitled may be rendered ineffective in the absence of such relief. The arbitration award shall be in writing, and shall specify the factual and legal bases for the award. Each party to an arbitration proceeding shall bear its own attorneys' fees, costs and other expenses, provided that the administrative fees prescribed by the Arbitration Rules of the American Arbitration Association shall be borne as set forth therein and the reasonable fees of the arbitrators shall be shared equally by both parties.

11.10. Notice

Any notice required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when personally delivered, when delivered by reputable courier service, when transmitted by facsimile (with receipt confirmed), or two days after being mailed by certified mail, return receipt requested, with postage prepaid, if to the Company at 4141 Second Parkway, Terre Haute, Indiana 47805, and if to any other party, addressed to the address contained in the Company's records (or to such other address as the party to receive such notice may have designated from time to time by notice in writing pursuant hereto). A copy of any notice to the Company, SPC-WI or SPC-GA shall be sent to each of the following:

Reinhart Boerner Van Deuren s.c. 1000 North Water Street, Suite 2100 Milwaukee, WI 53202 Attn: Mr. Robert E. Dallman

Chortek & Gottschalk, LLP 23217 West Stoneridge Waukesha, WI 53188 Attn: Donald Gottschalk, CPA

A copy of any notice to the Company or Sentry shall be sent to each of the following:

Rick Grow, Esq. 273 Tangier Road Palm Beach, FL 33480

Meyer Shanzer and Meyer 20 East Eleventh Avenue Conshohocken, PA 19428 Attention: Mr. Bruce Shanzer

11.11. Counterparts

This Operating Agreement may be executed in counterparts, all of which shall constitute the same agreement.

11.12. Public Announcements

The Members agree that any public announcements with respect to the transactions contemplated by this Operating Agreement and all other public releases of information concerning such transaction or the Company shall be approved in writing by the Operating Committee in advance of the release thereof.

11.13. Entire Agreement

This Operating Agreement constitutes the entire agreement among the parties hereto pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings (oral or written) of the parties in connection with the Company or any other matter covered hereby. The parties shall treat as null and void any agreement or other instrument pertaining to the subject matter hereof and executed prior hereto. No covenant, representation, or condition not expressed in this Operating Agreement shall affect or be effective to interpret, change, or restrict the express provisions of this Operating Agreement.

11.14 Fees.

The Company shall pay the reasonable fees and expenses of Reinhart Boerner Van Deuren s.c., Chortek & Gottschalk, LLP, Rick Grow, Esq., and Mayer, Shanzer & Mayer related to the negotiation, drafting and consummation of this Agreement, including but not limited to fees for tax planning.

(signatures on next page)

IN WITNESS WHEREOF, the undersigned have executed this Operating Agreement in counterparts as of the date first above written.

SPC-WI
SHEBOYGAN PAINT COMPANY
Brock Brownrigg, President
SPC-GA
SHEBOYGAN PAINT COMPANY OF CEDARTOWN, GEORGIA
Brock Brownrigg, President
SENTRY
SENTRY PAINT TECHNOLOGIES INC.
Benjamin Breskman, President
ATOMIZED POWDER COATINGS, LLC
BY Benjamin Breskman, Primary Manager

EXHIBIT A

CAPITAL CONTRIBUTIONS

<u>Member</u>	Contribution	<u>Units</u>	<u>Value</u>
SPC-WI	The Assets contributed by SPC-WI pursuant to the Subscription Agreement by and between SPC-WI and the Company dated as of the date hereof.	500	\$500,000 ¹
SPC-GA	The Assets contributed by SPC-GA pursuant to the Subscription Agreement by and between SPC-GA and the Company dated as of the date hereof.	500	\$500,000 ¹
Sentry	The Assets and cash contributed by Sentry, net of liabilities assumed by the Company from Sentry, pursuant to the Subscription Agreement by and between Sentry and the Company dated as of the date hereof.	1000	\$647,909.60 ^{2[, 3]}

¹Subject to post Closing adjustment as provided in the Asset Purchase Agreement. ²Subject to post Closing adjustment as provided in the Subscription Agreement by and between Sentry and the Company dated as of the date hereof. ³This amount is the sum of the following:

Item	Amount	Citation
Cash	\$250,000	Sentry Subscription Agreement 2(a)(i)
Net Working Capital	\$114,732	Sentry Subscription Agreement 2(a)(ii)
Intangibles	\$500,000	Asset Purchase Agreement; Sentry
		Subscription Agreement
Bank Debt and	(\$210,423.38)	Sentry Subscription Agreement
interest		
Auto Loan and	(\$6,399.02)	Sentry Subscription Agreement
interest		
TOTAL	\$647,909.60	

EXHIBIT A-1

FUTURE CONTINGENT CAPITAL CONTRIBUTIONS

A. By SPC-WI and SPC-GA. On the eighteen-month anniversary of the date of this Operating Agreement, SPC-WI and SPC-GA shall together make an aggregate capital contribution to the Company equal to that percentage of the then remaining principal amount of the Bank Debt (as defined below) shown in the table below.

Sales referred to the Company by SPC-WI or SPC-GA	SPC-WI and SPC-GA must make an aggregate capital contribution to the Company equal to this percentage of the then remaining principal amount of Bank Debt
Less than \$700,000	100%
\$700,000 to \$799,999	80%
\$800,000 to \$899,999	60%
\$900,000 to \$999,999	40%
\$1,000,000 or greater	0%

For the purposes of the above table, "Sales Referred to the Company by SPC-WI or SPC-GA" shall mean the greater of:

- (i) Company gross sales to SPC-WI or SPC-GA and Company gross sales to customers referred to the Company by SPC-WI or SPC-GA (together "Gross New Sales"), plus the dollar amount of sales orders for products within the Company's Primary Capability referred to the Company by SPC-WI or SPC-GA but not consummated by the Company because the Company did not have adequate production capacity, service, pricing, or quality levels ("Unfilled Orders"), during the six (6) month period ending on the last day of the month prior to the month in which occurs the eighteen (18) month anniversary of the date of this Agreement, multiplied by two (2), or
- (ii) Gross New Sales plus the dollar amount of Unfilled Orders, during the twelve (12) month period ending on the last day of the month prior to the month in which the eighteen (18) month anniversary of the date of this Agreement occurs.

For the purposes of this Exhibit A-1, the Company's "Primary Capability" shall be deemed to be in the manufacturing of polyester, epoxy, and hybrid pastel colors in batch sizes between two thousand (2000) and forty thousand (40,000) pounds, but

does not include specialty powders in small or large quantity (unless qualified through product development by the Company) of bonded powder, specialty metallic, UV curable or ultra low cure powder.

- B. <u>By Sentry</u>. In the event the Company has Negative Cash Flow at any time during the one-year period after the date hereof in excess of Two Hundred Thousand Dollars (\$200,000), Sentry shall, within five (5) days after requested by the Company, SPC-WI, or SPC-GA from time to time, make a contribution or contributions of capital to the Company in the amount of such deficiency (the "Additional Sentry Contribution").
- C. <u>By Sentry, SPC-WI, and SPC-GA</u>. Any amount paid to the Company as indemnification under any Subscription Agreement by and between the Company, on one hand, and any of Sentry, SPC-WI, or SPC-GA, on the other hand, as a result of the assets contributed by such subscriber not being in compliance with the representations and warranties of such subscriber with respect to such assets, shall be deemed an additional Capital Contribution of such subscriber, and such subscriber's original Capital Contribution and Capital Account shall be adjusted accordingly.

EXHIBIT B

DEFINITIONS

"Adjusted Capital Account Deficit" means, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant fiscal Period after giving effect to the following adjustments:

- (i) The Capital Account shall be credited with any amounts that such Member is deemed obligated to restore pursuant to the penultimate sentences of Sections 1.704-2(g)(1) and (i)(5) of the Treasury Regulations; and
- (ii) The Capital Account shall be debited with the items described in Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6) of the Treasury Regulations.

This definition is intended to comply with the provisions of Section 1.704-1(b)(2)(ii)(d) of the Treasury Regulations and shall be interpreted consistently therewith.

"Adjusted Capital Contributions" means the Capital Contributions as of any day as adjusted pursuant to this Operating Agreement.

"Affiliate" means, with respect to any specified Person, any other Person (i) that, directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with the specified Person, (ii) that beneficially owns or holds 80% or more of any class of the voting securities of the specified Person or (iii) 80% or more of the voting securities or other equity interest of which is beneficially owned or held directly or indirectly by the specified Person. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"Articles" means the Articles of Organization of the Company as amended from time to time.

"Assets" shall be defined as set forth in the Asset Purchase Agreement.

"Asset Purchase Agreement" shall mean that certain Asset Purchase Agreement by and between Sentry, SPC-WI, and SPC-GA dated as of the date hereof.

"Bank Debt" shall mean the amount of debt of Sentry to Progress Bank assumed by the Company as of the date hereof, not to exceed Two Hundred Seventeen Thousand Five Hundred Dollars (\$217,500).

"Capital Account" means, with respect to each Member, the account established and maintained for each Member pursuant to Section 3 of the Operating Agreement.

"Capital Contribution" means the gross amount of Value contributed to the Company by any Member with respect to its Membership Units as reflected in Exhibit A of the Operating Agreement.

"Closing Balance Sheet" shall be defined as in the Asset Purchase Agreement.

"Code" means the Internal Revenue Code of 1986, as amended (or any corresponding provisions of succeeding law).

"Committee Member" means a Member of the Operating Committee.

"Company" means Atomized Powder Coatings, LLC.

"Control Sale" means any Transfer in one or more related transactions by one or more Members or Permitted Transferees which results or would result in more than 50% of the Membership Unit interests in the Company being held by Persons who are not Members or Permitted Transferees or Affiliates of Members or Permitted Transferees immediately prior to the Transfer.

"Depreciation" means, for each fiscal Period of the Company, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable with respect to an asset of the Company for such Fiscal Period under the Code, except that if the Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such Fiscal Period, Depreciation shall be an amount that bears the same ratio to such beginning Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such Fiscal Period bears to such beginning adjusted tax basis; provided, however, that if the adjusted basis for federal income tax purposes of an asset at the beginning of such Fiscal Period is zero, Depreciation shall be determined with reference to such beginning Value using any reasonable method selected by the Operating committee consistent with the and intent hereof. purpose

"Dissociation" means, as to any given Member, any of the following events:

- (i) The Member makes a general assignment of its assets, including Membership Units, for the benefit of creditors;
 - (ii) The Member files a voluntary petition in bankruptcy;
- (iii) The Member becomes the subject of an order for relief under the federal bankruptcy laws;
- (iv) The Member files a petition or answer seeking for the Member any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law, or regulation;
- (v) The Member files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the Member in any proceeding described in clause (iv);
- (vi) The Member seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or liquidator of the Member or of all or any substantial part of the Member's properties, including Membership Units;
- (vii) The expiration of 120 days after the commencement of any involuntary proceeding against the Member seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law, or regulation, if the proceeding has not been dismissed;
- (viii) The expiration of 120 days after the appointment without the Member's consent or acquiescence of a trustee, receiver, or liquidator of the Member or of all or any substantial part of the Member's properties, including Membership Units, if the appointment is not vacated or stayed, or at the expiration of 120 days after the expiration of any stay, if the appointment is not vacated;
- (ix) If the Member is an individual, the Member's death or the entry of an order by a court of competent jurisdiction adjudicating the Member incompetent to manage the Member's person or estate;

- (x) If the Member is a trust or is acting as a Member by virtue of being a trustee of a trust, the termination of the trust, but not merely the substitution of a new trustee:
- (xi) If the Member is a corporation, partnership, or separate limited liability company, the dissolution and commencement of winding up of the Member; or
- (xii) The Transfer, pursuant to Section 8 of the Operating Agreement, by the Member of all of its Membership Units.

"Dissolution Event" means (i) the sale or other disposition of all or substantially all the assets of the Company; or (ii) the election by consent of all of the Members holding Membership Units to dissolve the Company.

"Distribute" means the Company's act of making a Distribution and "Distribution" means the aggregate amount of any payment pursuant to Section 4 of the Operating Agreement to Members with respect to Membership Units of cash, property, services rendered, or promissory notes or other obligations to provide cash or property or to perform services, in each case at its Value.

"Equity per Membership Unit" means the membership tax basis equity of the Company divided by the number of units.

"Expenses" means fees, costs, charges, disbursements, attorneys' fees and any other expenses incurred in connection with a Proceeding.

"Fiscal Period" means any 12 month period ending on December 31 or any portion of such period for which the Company is required to allocate Profits, Losses, and other items of income, gain, loss, or deduction for federal income tax purposes.

"IBFA" means the Indiana Business Flexibility Act (Indiana Code Section 23-18 or any successor provision thereto).

"Indebtedness" means (i) any indebtedness for borrowed money or the deferred purchase price of property as evidenced by a note, bond, or other instrument, (ii) obligations as lessee under capital leases, (iii) obligations secured by any mortgage, pledge, security interest, encumbrance, lien, or charge of any kind existing on any asset owned or held by the Company whether or not the Company has assumed or become liable for the obligations secured thereby, (iv) any obligation under any interest rate swap agreement (the principal amount of

such obligation shall be deemed to be the notional principal amount on which such swap is based), and (v) obligations under direct or indirect guarantees of (including obligations, contingent or otherwise, to assure a creditor against loss in respect of indebtedness) obligations of the kinds referred to in clauses (i), (ii), (iii), and (iv) above, provided that Indebtedness shall not include obligations in respect of any accounts payable that are incurred in the ordinary course of the Company's business and are not delinquent or are being contested in good faith by appropriate proceedings. In determining the amount of Indebtedness in any given circumstance, Section 752(c) and any related provisions of the Code and Treasury Regulations shall be taken into account if appropriate.

"Liabilities" means the obligation to pay a judgment, settlement, penalty, assessment, forfeiture or fine and reasonable expenses arising out of a Proceeding.

"Member" means each Person whose name appears Exhibit A hereto.

"Member Nonrecourse Debt" has the same meaning as "partner nonrecourse debt" as set forth in Section 1.704-2(b)(4) of the Treasury Regulations.

"Member Nonrecourse Debt Minimum Gain" means an amount, with respect to each Member Nonrecourse Debt, equal to the Minimum Gain that would result if such Member Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Section 1.704-2(i)(3) of the Treasury Regulations.

"Member Nonrecourse Deductions" has the same meaning as "partner nonrecourse deductions" as set forth in Sections 1.704-2(i)(1) and (2) of the Treasury Regulations.

"Membership Unit" means an interest in the Company representing the economic and management rights and obligations of a Member or a Transferee, as the case may be, including the benefits and commitments to or for which a Member or Transferee is entitled or responsible under the IBFA and as provided in this Operating Agreement.

"Minimum Gain" has the same meaning as "partnership minimum gain" as set forth in Sections 1.704-2(b)(2) and (d) of the Treasury Regulations.

"Negative Cash Flow" shall mean net cash used in operating activities as defined in "Statement of Accounting Standards No. 95 - Statement of Cash Flows" and the amount of principal payments made or required to be made on the Bank Debt during such period.

"Net Tax Rate" means the maximum combined individual federal and state income tax rates in effect for the Fiscal Period to which such Net Tax Rate relates, using the highest applicable state income tax rate for any partner, shareholder or member of a Member and assuming such state taxes are deductible for federal purposes.

"Nonrecourse Deductions" has the meaning set forth in Section 1.704-2(b)(1) of the Treasury Regulations. The amount of Nonrecourse Deductions for a Fiscal Period of the Company equals the net increase, if any, in the amount of Minimum Gain during that Fiscal Period, determined according to the provisions of Section 1.704-2(c) of the Treasury Regulations.

"Nonrecourse Liability" has the meaning set forth in Section 1.704-2(b)(3) of the Treasury Regulations.

"Notice of Transfer" means the written notice to be sent by a Transferor or Transferee to the Company and the other Members pursuant to Section 7 of the Operating Agreement prior to any proposed Transfer stating the number of Membership Units proposed to be Transferred and the manner of Transfer, the name and address of the prospective Transferee thereof, the effective date of the Transfer, the purchase price or other consideration, the terms of payment or transfer, and the other material terms and conditions of the proposed Transfer.

"Offer" means the offer to sell the Membership Units identified in a Notice of Transfer that is represented by such Notice of Transfer pursuant to Section 7.3 of the Operating Agreement.

"Operating Committee" means the committee of three persons appointed and elected and with the powers described in this Operating Agreement.

"Permitted Transferee" means:

- (i) a spouse of a Member;
- (ii) a shareholder or partner of a Member if the Member is a corporation, partnership, or limited liability company;
- (iii) a spouse of a shareholder or partner of a Member if the Member is a corporation, partnership, or limited liability company;
- (iv) a partnership limited liability company or corporation as long as 50% of the voting units are owned by the Member, his/her spouse, a

shareholder/partner of a Member, or the spouse of a shareholder/partner of a Member and the other shareholders/partners are the children or spouse of a Member or shareholder/partner of a Member; and

(v) a trust (as long as the only trustee is a Member, a spouse of a Member, a shareholder/partner of a Member, or a spouse of a shareholder/partner of a Member) for the exclusive benefit of the children or spouse of a Member, the children or spouse of a shareholder/partner of a Member, or a shareholder/partner of a Member.

"Person" means an individual, general partnership, limited partnership, limited liability company, trust, estate, association, corporation, governmental entity or any other legal or commercial entity.

"Positive Cash Flow" shall mean net cash provided from operating activities as defined in "Statement of Accounting Standards No. 95 - Statement of Cash Flows" promulgated by the Financial Accounting Standards Board.

"Proceeding" means any threatened, pending or completed civil, criminal, administrative or investigative action, suit, arbitration or other proceeding, whether formal or informal, which involves foreign, federal, state or local law and which is brought by or in the right of the Company or by any other Person.

"Profits" and "Losses" mean, for each Fiscal Period, amounts equal to the Company's taxable income and loss for such Fiscal Period, determined in accordance with Section 703(a) of the Code (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Section 703(a)(1) of the Code shall be included in taxable income or loss), with the following adjustments:

- (i) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses pursuant to this definition shall be added to such taxable income or loss:
- (ii) Any expenditures of the Company described in Section 705(a)(2)(B) of the Code or treated as Section 705(a)(2)(B) expenditures described in Section 1.704-1(b)(2)(iv)(i) of the Treasury Regulations, and not otherwise taken into account in computing Profits or Losses pursuant to this definition, shall be subtracted from such taxable income or loss;

- (iii) In the event the Value of any asset of the Company is adjusted pursuant to the definition thereof, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits and Losses;
- (iv) Gain or loss resulting from any disposition of any property by the Company with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Value;
- (v) In lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such fiscal year or other period; and
- (vi) Notwithstanding any other provisions of this definition, any items that are specially allocated pursuant to Sections 1, 2 and 3 of Exhibit C to the Operating Agreement shall not be taken into account in computing Profits or Losses.

The amounts of the items of income, gain, loss, and deduction available to be specially allocated pursuant to Sections 1, 2 and 3 of Exhibit C to the Operating Agreement shall be determined by applying rules analogous to those set forth in this definition as appropriate.

"Sentry Subscription Agreement" means that certain Subscription Agreement by and between the Company and Sentry dated as of the date hereof.

"Transfer" means, as the context provides, the act of selling, giving, assigning, bequeathing, divesting, disposing of or transferring ownership or control of all, any part or any interest in the Company, whether voluntarily or by operation of law, including, without limitation, the foreclosure of a security interest, but not including a pledge or encumbrance solely as security in a bona fide borrowing transaction. With respect to any Member or Transferee, a Transfer shall also mean any transaction or series of related transactions in which control of such Member is transferred to a Person or Persons who is or are not in control of such Member immediately prior to such transaction (or the commencement of a series of related transactions).

"Transferee" means any person that proposes to acquire or acquires Membership Units pursuant to the terms of Section 7 of the Operating Agreement.

"Transferor" means a Member or Transferee that proposes to Transfer or Transfers any of its Membership Units pursuant to the terms of Section 7 of the Operating Agreement.

"Treasury Regulations" means the regulations adopted from time to time by the Department of the Treasury under the Code, and any references to "partners" or "partnership" therein shall refer, as appropriate, to Members in the Company, respectively.

"Value" means, with respect to any asset, the asset's adjusted basis for federal income tax purposes, except as follows:

- (i) The initial Value of the assets contributed by the Members as set forth on Exhibit A shall be the amount set forth opposite such asset in the "Value" column thereon and the initial Value of any other property contributed by Members to the Company shall be the gross fair market value thereof as determined by the Members;
- (ii) The Values of all assets of the Company shall be adjusted to equal their respective gross fair market values, as reasonably determined by the Operating Committee and the directly affected Members, as of the following times: (a) the acquisition of additional Membership Units by any new or existing Member in exchange for more than a de minimis Capital Contribution; (b) the Distribution by the Company to a Member of more than a de minimis amount of the Company's property as consideration for Membership Units if the Operating Committee reasonably determines that such adjustment is necessary or appropriate to reflect the relative economic interests of the Members in the Company; (c) the liquidation of the Company within the meaning of Section 1.704-1(b)(2)(ii)(g) of the Treasury Regulations; and (d) the effective date of a Transfer of Membership Units pursuant to Section 7.3 of the Operating Agreement;
- (iii) The Value of any asset of the Company Distributed to any Member shall be the gross fair market value of such asset on the date of Distribution as reasonably determined by the Operating Committee; and
- (iv) The Value of the assets of the Company shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Sections 734(b) or 743(b) of the Code, but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Section 1(f) of Exhibit C to the Operating Agreement as required by Section 1.704-1(b)(2)(iv)(m) of the Treasury Regulations;

provided, however, that Values shall not be adjusted pursuant to this clause (iv) to the extent the Operating Committee determines that an adjustment pursuant to clause (ii) above is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this clause (iv).

If the Value of an asset has been determined or adjusted pursuant to clause (i), (ii), or (iv) above, such Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Profits and Losses.

EXHIBIT C SPECIAL ALLOCATIONS OF PROFITS AND LOSSES

This Exhibit sets forth certain allocations that will apply to the extent and under the circumstances provided below in lieu of the allocations provided in Section 5 of the Operating Agreement. In no event will an allocation or distribution under the Operating Agreement (including this Exhibit C) be made which results in, or increases, an Adjusted Capital Account Deficit as of the end of the Fiscal Period to which such allocation or distribution relates. Except as otherwise provided, capitalized terms have the definitions provided in Exhibit B to the Operating Agreement.

1. Special Allocations.

- (a) Depreciation. Each of SPC-WI and SPC-GA shall be allocated all of the Depreciation with respect to the Wabash PP&E (as defined in the Asset Purchase Agreement) contributed by them as part of their respective Capital Contributions shown on Exhibit A.
- (b) Preferred Distributions. Sentry shall first be allocated Profit (or items of income) in an amount equal to the preferred Distributions set forth in Section 4.4(a)(ii) of the Operating Agreement and Loss (or items of loss) in an amount equal to the preferred Distribution set forth in Section 4.4(c)(i) of the Operating Agreement.
- (c) Imputed Interest. To the extent the Company has taxable interest income or expense pursuant to Section 483, Sections 1271 through 1288, or Section 7872 of the Code with respect to any obligation relating to a Member, such interest income or expense shall be specially allocated to the Member to whom such obligation relates.
- (d) Sale, Liquidation or Revaluation. Profit or Loss realized on the sale or liquidation of the Company, or as a result of any revaluation, shall first be allocated among SPC-WI, SPC-GA, and Sentry so that the sum of the aggregate Capital Accounts of SPC-WI and SPC-GA equals the Capital Account of Sentry.
- (e) Transfer of Membership Units. If Membership Units are Transferred pursuant to this Operating Agreement during any Fiscal Period, the Profits (or Losses) allocated to the Members for each such Fiscal Period shall be allocated among the Members in proportion to the number of Membership Units each holds from time

to time during such Fiscal Period in accordance with Section 706 of the Code, using any convention permitted by law and selected by the Managing Board.

- 2. Regulatory Allocations. The following allocations shall be made in the following order:
 - (a) Minimum Gain Charge-back. Except as otherwise provided in Section 1.704-2(f) of the Treasury Regulations, if there is a net decrease in Minimum Gain during any Fiscal Period, each Member shall be specially allocated items of income and gain for such Fiscal Period (and, if necessary, subsequent Fiscal Periods) in an amount equal to such Member's share of the net decrease in Minimum Gain, determined in accordance with Section 1.704-2(g) of the Treasury Regulations. The items to be so allocated shall be determined in accordance with Sections 1.704-2(f)(6) and (j)(2) of the Treasury Regulations. This Section 2(a) is intended to comply with the minimum gain charge-back requirement in Section 1.704-2(f) of the Treasury Regulations and shall be interpreted consistently therewith.
 - (b) Member Minimum Gain Charge-back. Except as otherwise provided in Section 1.704-2(i)(4) of the Treasury Regulations, notwithstanding any other provision of this Exhibit C, if there is a net decrease in Member Nonrecourse Debt Minimum Gain attributable to a Member Nonrecourse Debt during any Fiscal Period, each Member who has a share of the Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt. determined in accordance with Section 1.704-2(i)(5) of the Treasury Regulations, shall be specially allocated items of income and gain for such Fiscal Period (and, if necessary, subsequent Fiscal Periods) in an amount equal to such Member's share of the net decrease in Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Section 1.704-2(i)(4) of the Treasury Regulations. The items to be so allocated shall be determined in accordance with Sections 1.704-2(i)(4) and (j)(2) of the Treasury Regulations. This Section 2(b) is intended to comply with the minimum gain charge-back requirement in Section 1.704-2(i)(4) of the Treasury Regulations and shall be interpreted consistently therewith.

- Qualified Income Offset. If any Member has (or would have but for an allocation pursuant to this Section 2(c)) an Adjusted Capital Account Deficit at the end of any Fiscal Period, each such Member shall be specially allocated items of income and gain in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the Adjusted Capital Account Deficit as quickly as possible; provided that an allocation pursuant to this Section 2(c) shall be made if and only to the extent that such Member would have an Adjusted Capital Account Deficit in excess of such amount after all other allocations provided for in this Exhibit C have been tentatively made as if this Section 2(c) were not in the Operating Agreement
- (d) Nonrecourse Deductions. Nonrecourse Deductions for any Fiscal Period shall be allocated among the Members in accordance with Section 5 of the Operating Agreement.
- (e) Member Nonrecourse Deductions. Any Member Nonrecourse Deductions for any Fiscal Period shall be specially allocated to the Member who bears the economic risk of loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Section 1.704-2(i)(1) of the Treasury Regulations.
- (f) Section 754 Election and Adjustment. The Company shall make an election pursuant to Section 754 of the Code and the Treasury Regulations thereunder for the first taxable year in which such election is permitted thereunder. To the extent an adjustment to the adjusted tax basis of any asset of the Company pursuant to Section 734(b) or Section 743(b) of the Code is required to be taken into account pursuant to Section 1.704-1(b)(2)(iv)(m)(2) or (4) of the Treasury Regulations in determining Capital Accounts as the result of a Distribution to a Member in complete liquidation of its Membership Units, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specially allocated (i) to the Members in accordance with Section 5 of the Operating Agreement in the event that Section 1.704-1(b)(2)(iv)(m)(2) of the Treasury Regulations applies, or (ii) to the Members to whom such Distribution was made in the event Section 1.704-1(b)(2)(iv)(m)(4) of the Treasury Regulations applies.

3. Curative Allocations. The allocations set forth in Sections 2(a), 2(b), 2(c), 2(d), 2(e) and 2(f) (the "Regulatory Allocations") are intended to comply with certain requirements of the Treasury Regulations and to the extent they are unintentionally inconsistent with such Treasury Regulations, shall be deemed modified to the extent necessary to make such provision consistent with the Treasury Regulations. It is the intent of the Members that, to the extent possible, all Regulatory Allocations shall be offset either with other regulatory allocations or with special allocations of other items of income. gain, loss, or deduction pursuant to this Section 3. Therefore. notwithstanding any other provision of this Exhibit C (other than the Regulatory Allocations) the Operating Committee shall make such offsetting special allocations of income, gain, loss, or deduction in whatever manner it determines appropriate so that after such offsetting allocations are made, each Member's Capital Account balance is, to the extent possible, equal to the Capital Account balance such Member would have had if the Regulatory Allocations were not part of this Operating Agreement and all such items were allocated pursuant to Section 5 of the Operating Agreement and Section 1 of this Exhibit C. In exercising its discretion under this Section 3, the Operating Committee shall take into account future regulatory allocations under Sections 2(a) and 2(b) that, although not yet made, are likely to offset other regulatory allocations previously made under Sections 2(d) and 2(e).

4. Tax Allocations.

(a) Capital Contributions. In accordance with Section 704(c) of the Code and the Treasury Regulations thereunder, income, gain, loss, and deduction with respect to any Capital Contribution shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its initial Value. Such allocations shall be made in accordance with the curative method described in Section 1.704-3(c) of the Treasury Regulations. It is the intent and agreement of the parties that all the tax amortization under Code Section 197 resulting from the intangible Assets contributed by SPC-WI and SPC-GA will be allocated to SPC-WI and SPC-GA as a result of the rules set forth in Code Section 704(c) and the regulations promulgated thereunder, and that the allocation provisions of the Operating Agreement shall be so interpreted as to cause such result.

- (b) Adjustment of Value. If the Value of any asset of the Company is adjusted, subsequent allocations of income, gain, loss, and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Value as so adjusted in the same manner as under Section 704(c) of the Code and the Treasury Regulations thereunder.
- (c) Elections. Any elections or other decisions relating to such allocations shall be made by the Operating Committee in any manner that reasonably reflects the purpose and intent of the Operating Agreement. Allocations pursuant to this Section 3 are solely for purposes of federal, state and local taxes and shall not affect or in any way be taken into account in computing, any Capital Account or share of Profits, Losses, other items, or Distributions pursuant to any provision of the Operating Agreement.
- 5. Income Tax Consequences. The Members are aware of the income tax consequences of the allocations made by this Exhibit C and hereby agree to be bound by the provisions hereof in reporting their shares of income and loss for income tax purposes.
- 6. Income Allocation in First Year. The Members agree to allocate Profits and Losses for the year 2001 on a pro-rata basis determined by allocating Profits and Losses to Members on a daily basis for the number of days such Members were Members of the Company.

EXHIBIT D

Capital Expenditure Budget from December 19, 2001 through December 18, 2002: \$500,000, to be allocated as determined by the Primary and Secondary Managers.

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MEMBERSHIP INTEREST PURCHASE AGREEMENT

THIS AGREEMENT is made and entered into this 3rd day of July, 2008, with an effective date of January 31, 2007, by and between SHEBOYGAN PAINT COMPANY, a Wisconsin corporation and SHEBOYGAN PAINT COMPANY OF CEDARTOWN GEORGIA, a Georgia corporation ("Buyers"), SENTRY PAINT TECHNOLOGIES, INC., a Pennsylvania corporation ("Seller") and BENJAMIN BRESKMAN ("Mr. Breskman").

RECITALS:

WHEREAS, Seller owns 1,000 units of the issued and outstanding membership interest in Atomized Powder Coatings, LLC, an Indiana limited liability company ("Company"), which represent half the issued and outstanding membership interests in the Company; and

WHEREAS, Mr. Breskman is the Company's primary manager and is the President of Seller;

WHEREAS, Buyers and Seller are each guarantors of the obligations Company owes to Associated Bank, N.A.;

WHEREAS, Seller desires to sell to Buyers, and Buyers desire to purchase from Seller all of Seller's membership interest in the Company ("Membership Interest") under the terms and conditions set forth herein; and

WHEREAS, Buyer requires a noncompetition and nonsolicitation agreement from Seller and Mr. Breskman in connection with this transaction.

NOW, THEREFORE, in consideration of the mutual promises, covenants, warranties and representations contained herein, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, do hereby agree as follows:

- 1. <u>Membership Interest Transfer and Purchase</u>. Seller shall sell, transfer, assign and deliver to Buyers and Buyers shall purchase from Seller the Membership Interest for the purchase price of \$1.00, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged ("Purchase Price"). The parties agree that their agreed upon valuation of the business, as provided in that certain written consent of the Company attached hereto as Exhibit A ("Written Consent"), reflects that Seller's Membership Interest has a negative value associated with it due to the Company's excess debt obligations.
- 2. <u>Effective Date</u>. The effective date of the transaction referenced in Paragraph 1 hereto is and shall be January 31, 2007 (the "Effective Date").
- 3. Release of Buyers by Seller. In addition to the Purchase Price, Buyers shall execute and deliver to Seller a Release, in the form attached hereto as Exhibit B ("Release").

- 4. <u>Delivery of Membership Interest</u>. Seller and Buyers agree that no formal certificates of Membership Interest representing the Membership Interest in the Company have been issued to Seller, however, Seller's interest in the Membership Interest is nonetheless in existence under the Company's Operating Agreement and the Membership Interest shall be transferred to Buyers pursuant to this Agreement, with the result that Buyer shall receive the 1000 units of membership interest in the Company previously held by Seller. Seller shall provide to Buyers an assignment of Membership Interest in Company to such effect, attached hereto as Exhibit C ("Assignment of Membership Interest").
- 5. Operating Agreement. The parties agree that the Company's Operating Agreement dated December 19, 2001 (the "Operating Agreement"), which has been executed by all current members of the Company, contains all of the terms and provisions regarding the rights granted by virtue of ownership of the Membership Interest. Buyers agrees that these rights are the only rights granted to Buyers by virtue of this Agreement, and Buyers agree to be bound by all terms and provisions of the Company's Operating Agreement regarding the Membership Interest.
 - (a) <u>Qualified Income Offset</u>. Seller will be allocated \$97,396 of income pursuant to Section 2(c) of Exhibit C to the Operating Agreement on their final year 2007 Schedule K-1. Attached hereto as Exhibit D is a copy of Exhibit C to the Operating Agreement along with a draft K-1 for Seller reflecting such allocation.
- 6. Representations and Warranties of Seller and Mr. Breskman. To induce Buyers to enter into this Agreement, Seller and Mr. Breskman hereby jointly and severally make the following representations and warranties to Buyers, which Seller and Mr. Breskman understand to be material, and which shall be true, complete, and correct in all material respects as of the execution of this Agreement, and which shall survive the execution of this Agreement:
 - (a) Ownership. Seller is the lawful, beneficial and record owner of the Membership Interest and has good title thereto, free and clear of all pledges, security interests, liens, charges, equities, encumbrances, restrictions, claims and options of any nature whatsoever. Seller has full authority to enter into this Agreement and to perform all obligations of Seller hereunder.
 - (b) Valid and Binding Agreement. This Agreement and all documents or instruments executed and delivered by Seller in connection herewith by Seller have been duly executed and delivered, and constitute the valid and binding obligations of Seller, enforceable in accordance with their terms.
 - (c) <u>Compliance</u>. The execution and delivery of this Agreement, and the consummation of the transactions provided for in this Agreement by Seller will not conflict with or result in a breach of any agreement or violate any order, writ, injunction or decree of any court, administrative agency or governmental body by which Seller is bound.

- (d) <u>Full Disclosure</u>. Seller will furnish Buyers promptly and fully all such information which Buyers may require in connection with complying with any federal or state laws or regulations applicable to the transactions contemplated by this Agreement, and will promptly and fully cooperate and assist in compliance with all requirements imposed upon the Company by any state or federal laws or regulations applicable to the transactions contemplated hereby. In making such disclosure or furnishing such information, no statement or certificate will contain any untrue statement of material fact or omit to state a material fact necessary to make the statements contained therein not misleading.
- 7. Representations and Warranties of Buyers. To induce Seller to enter into this Agreement, Buyers hereby, jointly and severally, make the following representations and warranties, which Buyers understand to be material, and which shall be true, complete, and correct in all material respects as of the execution of this Agreement, and which shall survive the execution of this Agreement:
 - (a) <u>Valid and Binding Agreement</u>. This Agreement and all documents or instruments executed and delivered by Buyers in connection herewith by Buyers have been duly executed and delivered, and constitute the valid and binding obligations of Buyers, enforceable in accordance with their terms.
 - (b) <u>Compliance</u>. The execution and delivery of this Agreement, and the consummation of the transactions provided for in this Agreement by Buyers will not conflict with or result in a breach of any agreement or violate any order, writ, injunction or decree by which Buyer is bound of any court, administrative agency or governmental body.
- 8. <u>Noncompetition and Nonsolicitation Agreement</u>. As a further inducement for Buyers to enter into this Agreement, Seller and Benjamin Breskman shall each enter into a Noncompetition and Nonsolicitation Agreement in the form attached hereto as Exhibit E whereby each shall agree not to compete with the Company's liquid and powder paint manufacturing and sales business nor solicit the Company's customers for a period of 36 months following the date of execution of this agreement throughout the territory of the United States of America. Seller and Mr. Breskman expressly agree that this agreement and the rights and obligations hereunder may be assigned by Buyers to ProTech Powder Coatings, Inc. Any other assignment by Buyers shall require the written consent of Seller and Mr. Breskman.
- 9. <u>Indemnification of Seller and Mr. Breskman.</u> Buyers shall jointly and severally indemnify, defend, save and hold harmless Seller, Mr. Breskman and its officers, directors, employees, agents and affiliates and shall reimburse Seller and/or Mr. Breskman for all damages directly or indirectly asserted against, imposed upon, resulting to or incurred or required to be paid by Seller from or in connection with:
- (a) Any breach or inaccuracy of any representation or warranty made by Buyers this Agreement.

- (b) Any and all claims or liabilities relating to the Company, including but not limited to any claim by Associated Bank, N.A. but excluding any claims or liabilities based upon fraud or intentional misrepresentation by Seller or Mr. Breskman.
- (c) Any claim of any federal, state or local taxing authority which relates to operations of the Buyer and the Company from the date of this Agreement forward.
- 10. <u>Indemnification of Buyers</u>. Seller and Mr. Breskman shall jointly and severally indemnify, defend, save and hold harmless Buyers and officers, directors, employees, agents and affiliates of Buyers from and against, and shall reimburse the Buyers for all damages directly or indirectly asserted against, imposed upon, resulting to or incurred or required to be paid by any Buyer from or in connection with:
- (a) Any breach or inaccuracy of any representation or warranty made by Seller or Mr. Breskman in this Agreement.
- (b) Any breach or non-performance of any covenant or obligation made by Seller or Mr. Breskman in connection with this Agreement including, specifically, the Non-Competition and Non-Solicitation Agreements entered into in connection with this Agreement.
- (c) Any claims or liabilities based upon fraud or intentional misrepresentation by Seller or Mr. Breskman.
- 11. Sale of Company. The parties will both continue to use their best efforts to sell the Company as a going concern notwithstanding the transfer contemplated herein, up until September 30, 2008, unless agreed to otherwise by Buyers and Seller, in writing, after which time the Company will wind up operations. Benjamin Breskman shall continue in his role with the Company as Primary Manager, with responsibility to complete all activities necessary to transition the business to the buyer and finalize all outstanding obligations of APC. Travel, lodging and meal expenses incurred in this transition will be borne by APC and/or Buyer. In the event the Company is sold as a going concern for greater than \$800,000, the Buyer shall pay Mr. Breskman as compensation for serving as Primary Manager 6% of each dollar received by Buyer as consideration for selling the Company's business and/or assets. Said payment is conditioned upon a sale transaction closing and fully funding according to its terms.
- 12. <u>Benefit</u>. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns.
- 13. <u>Drafting</u>. This Agreement is a result of arm's-length negotiations between the parties hereto and, in resolving any ambiguity in this Agreement, none of the parties hereto shall be deemed to have been the drafter hereof.
- 14. <u>Partial Invalidity</u>. In the event that any one or more of the terms, provisions, or conditions of this Agreement or the documents incidental hereto be determined to

be illegal, invalid, or unenforceable, all other terms, provisions and conditions hereof or thereof shall nonotheless remain in full force and effect.

- 15. Entire Agreement. This Agreement supersodes all prior agreements between the parties relating to its subject matter. There are no other understandings or agreements between the parties concerning the subject matter of this Agreement and this Agreement may not be modified or amended orally and any modification must be signed by the Party against whom embrecement in sought.
- 16. Governing Law. This Agreement shall be construed in accordance with the laws of Wisconsin and all suits with respect to this Agreement shall be instituted in courts in the State of Wisconsin. The parties further understand and agree that any litigation conducted regarding this Agreement shall be commenced in the state or federal courts located in Sheboygan County, Wisconsin and the parties hereby expressly consent to the venue and jurisdiction of such courts.
- 17. Countements. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.
- 18. Notices. Any notice to be given hereunder shall be deemed sufficient if addressed in writing, and delivered by registered or certified mail or delivered personally, in the case of the Buyer or Seller to their respective addresses as set forth in this Agreement, or to such other address as they may instruct by a writing given to the other party.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered effective the day and year first above written.

Seller:

Buyers:

SENTRY PAINT TECHNOLOGIES, INC.

SHEBOYGAN PAINT COMPANY SHEBOYGAN PAINT COMPANY OF CEDARTOWN, GEORGIA

By: Regismin Breskman Pr

Benjamin Breakman, Individually

B

Brock Browning, CEO

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FOR PURPOSES OF ACKNOWLEDGING ITS ACCEPTANCE OF THIS PURCHASE, the Company does hereby execute this Agreement below.

Company:

Brock Brownrigg Secondary Manager

EXHIBIT A WRITTEN CONSENT [SEE ATTACHED]

ATOMIZED POWDER COATINGS, LLC

WRITTEN CONSENT IN LIBU OF

SPECIAL MEETING OF MEMBERS

The undersigned, being all of the members of Atomized Powder Coatings, LLC, by their signatures hereto, do hereby consent to and approve the adoption of the following resolution with the same effect as though adopted by unanimous vote at a special meeting of the members of the limited liability company duly called and held, which authority exists under the Operating Agreement for the Company and Chapter 183 of the Wisconsin Statutes:

RESOLVED, that the members of Atomized Powder Coatings, LLC agree to enter into a Membership Interest Purchase Agreement pursuant to which Sentry Paint Technologies, Inc. shall, effective Jamary 31, 2007, sell and transfer all of its units of membership interest in the Company to Sheboygan Paint Company and Sheboygan Paint Company of Cedartown, Georgia, such that, following such transfer, the members and owners of units of membership interest in the Company shall be as follows:

Sheboygan Paint Company - Wisconsin: 50%
Sheboygan Paint Company of Cedartown, Georgia: 50%

FURTHER RESOLVED, that the Members agree that, pursuant to Section 7.6 of the Company's Operating Agreement and, after considering all relevant facts and circumstances, including but not limited to the results of the Company's business operations and the Company's debt obligations relative to its assets, the value of Sentry Paint Technologies, Inc.'s membership interest is \$1.00.

FURTHER RESOLVED, that the Company is authorized to enter into the previously referenced Membership Interest Purchase Agreement and documents that are ancillary thereto.

Effective as of the 31st day of January, 2007.

APPROVED BY MEMBERS:

SENTRY PAINT TECHNOLOGIES, INC.

SHEBOYGAN PAINT COMPANY

Benjamin Breskman, President

Brock Browning CEO

SHEBOYGAN PAINT COMPANY OF CEDARTOWN, GEORGIA

By: Brock Browning, CEO

EXHIBIT B

RELEASE

[SEE ATTACHED]

RELEASE

Sheboygan Paint Company ("SPC-WI") and Sheboygan Paint Company of Cedartown. Georgia ("SPC-GA"), for good and valuable consideration, the receipt and sufficiency of which is hereby expressly acknowledged, jointly and severally and each for itself and its officers, directors, employees, agents, successors and assigns, does hereby forever release and discharge Sentry Paint Technologies, Inc. ("Sentry"), Benjamin Breskman ("Breskman") and Sentry's other officers, directors, employees, agents, successors and assigns, from and against any and all claims or liabilities relating to Atomized Powder Coatings, LLC (the "Company"), including but not limited to any claim by Associated Bank, N.A., as well as any claim of any federal, state or local taxing authority which relates to operations of Atomized Powder Coatings, LLC, SPC-WI or SPC-GA from the date of this release forward. However, the release shall not apply to any claims or liabilities based upon fraud or intentional misrepresentation by Sentry or Mr. Breskman,

Dated at Sheboygan, Wisconsin, this 3rd day of July, 2008.

SHEBOYGAN PAINT COMPANY SHEBOYGAN PAINT COMPANY OF CEDARTOWN, GEORGIA

By:

Brock Brownrigg, CEO

EXHIBIT C

ASSIGNMENT OF MEMBERSHIP INTEREST

[SEE ATTACHED]

ASSIGNMENT OF MEMBERSHIP INTEREST IN ATOMIZED POWDER COATINGS, LLC

FOR VALUE RECEIVED, the receipt, adequacy and sufficiency of which are hereby acknowledged, SENTRY PAINT TECHNOLOGIES, INC., a Pennsylvania corporation ("Assignor") does hereby assign, transfer and convey unto SHEBOYGAN PAINT COMPANY, a Wisconsin corporation, and SHEBOYGAN PAINT COMPANY OF CEDARTOWN, GEORGIA, a Georgia corporation, or the successors and assigns of each ("Assignee") the Assignor's right, title and interest in and to one thousand (1,000) units of membership interest (the "Membership Interest") that it now owns in Atomized Powder Coatings, LLC, an Indiana limited liability company (the "Limited Liability Company"), such assignment to be effective as of January 31, 2007. The Assignee agrees to hereafter be bound by the operating agreement for Atomized Powder Coatings, LLC dated December 19, 2001.

Dated effective the 31st day of January, 2007.

ASSIGNOR:

SENTRY PAINT TECHNOLOGIES, LLC

Benjamin Breskman, President

EXHIBIT D

EXHIBIT C TO OPERATING AGREEMENT AND DRAFT SELLER K-1

[SEE ATTACHED]

EXHIBIT C SPECIAL ALLOCATIONS OF PROFITS AND LOSSES

This Exhibit sets forth certain allocations that will apply to the extent and under the circumstances provided below in lieu of the allocations provided in Section 5 of the Operating Agreement. In no event will an allocation or distribution under the Operating Agreement (including this Exhibit C) be made which results in, or increases, an Adjusted Capital Account Deficit as of the end of the Fiscal Period to which such allocation or distribution relates. Except as otherwise provided, capitalized terms have the definitions provided in Exhibit B to the Operating Agreement.

1. Special Allocations.

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- (a) Depreciation. Each of SPC-WI and SPC-GA shall be allocated all of the Depreciation with respect to the Wabash PP&E (as defined in the Asset Purchase Agreement) contributed by them as part of their respective Capital Contributions shown on Exhibit A.
- (b) Preferred Distributions. Sentry shall first be allocated Profit (or items of income) in an amount equal to the preferred Distributions set forth in Section 4.4(a)(ii) of the Operating Agreement and Loss (or items of loss) in an amount equal to the preferred Distribution set forth in Section 4.4(c)(i) of the Operating Agreement.
- (c) Imputed Interest. To the extent the Company has taxable interest income or expense pursuant to Section 483, Sections 1271 through 1288, or Section 7872 of the Code with respect to any obligation relating to a Member, such interest income or expense shall be specially allocated to the Member to whom such obligation relates.
- (d) Sale, Liquidation or Revaluation. Profit or Loss realized on the sale or liquidation of the Company, or as a result of any revaluation, shall first be allocated among SPC-WI, SPC-GA, and Sentry so that the sum of the aggregate Capital Accounts of SPC-WI and SPC-GA equals the Capital Account of Sentry.
- (e) Transfer of Membership Units. If Membership Units are Transferred pursuant to this Operating Agreement during any Fiscal Period, the Profits (or Losses) allocated to the Members for each such Fiscal Period shall be allocated among the Members in proportion to the number of Membership Units each holds from time

to time during such Fiscal Period in accordance with Section 706 of the Code, using any convention permitted by law and selected by the Managing Board.

- 2. Regulatory Allocations. The following allocations shall be made in the following order:
 - (a) Minimum Gain Charge-back. Except as otherwise provided in Section 1.704-2(f) of the Treasury Regulations, if there is a net decrease in Minimum Gain during any Fiscal Period, each Member shall be specially allocated items of income and gain for such Fiscal Period (and, if necessary, subsequent Fiscal Periods) in an amount equal to such Member's share of the net decrease in Minimum Gain, determined in accordance with Section 1.704-2(g) of the Treasury Regulations. The items to be so allocated shall be determined in accordance with Sections 1.704-2(f)(6) and (j)(2) of the Treasury Regulations. This Section 2(a) is intended to comply with the minimum gain charge-back requirement in Section 1.704-2(f) of the Treasury Regulations and shall be interpreted consistently therewith.
 - (b) Member Minimum Gain Charge-back. Except as otherwise provided in Section 1.704-2(1)(4) of the Treasury Regulations, notwithstanding any other provision of this Exhibit C, if there is a net decrease in Member Nonrecourse Debt Minimum Gain attributable to a Member Nonrecourse Debt during any Fiscal Period, each Member who has a share of the Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Section 1.704-2(i)(5) of the Treasury Regulations, shall be specially allocated items of income and gain for such Fiscal Period (and, if necessary, subsequent Fiscal Periods) in an amount equal to such Member's share of the net decrease in Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Section 1.704-2(i)(4) of the Treasury Regulations. The items to be so allocated shall be determined in accordance with Sections 1.704-2(i)(4) and (j)(2) of the Treasury Regulations. This Section 2(b) is intended to comply with the minimum gain charge-back requirement in Section 1.704-2(i)(4) of the Treasury Regulations and shall be interpreted consistently therewith.

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- Qualified Income Offset. If any Member has (or would have but for an allocation pursuant to this Section 2(c)) an Adjusted Capital Account Deficit at the end of any Fiscal Period, each such Member shall be specially allocated items of income and gain in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the Adjusted Capital Account Deficit as quickly as possible; provided that an allocation pursuant to this Section 2(c) shall be made if and only to the extent that such Member would have an Adjusted Capital Account Deficit in excess of such amount after all other allocations provided for in this Exhibit C have been tentatively made as if this Section 2(c) were not in the Operating Agreement
- (d) Nonrecourse Deductions. Nonrecourse Deductions for any Fiscal Period shall be allocated among the Members in accordance with Section 5 of the Operating Agreement.
- (e) Member Nonrecourse Deductions. Any Member Nonrecourse Deductions for any Fiscal Period shall be specially allocated to the Member who bears the economic risk of loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Section 1.704-2(i)(1) of the Treasury Regulations.
- **(f)** Section 754 Election and Adjustment. The Company shall make an election pursuant to Section 754 of the Code and the Treasury Regulations thereunder for the first taxable year in which such election is permitted thereunder. To the extent an adjustment to the adjusted tax basis of any asset of the Company pursuant to Section 734(b) or Section 743(b) of the Code is required to be taken into account pursuant to Section 1.704-1(b)(2)(iv)(m)(2) or (4) of the Treasury Regulations in determining Capital Accounts as the result of a Distribution to a Member in complete liquidation of its Membership Units, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specially allocated (i) to the Members in accordance with Section 5 of the Operating Agreement in the event that Section 1.704-1(b)(2)(iv)(m)(2) of the Treasury Regulations applies, or (ii) to the Members to whom such Distribution Was made inthe event that Section 1.704-1(b)(2)(iv)(m)(4) of the Treasury Regulations applies.

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Curative Allocations. The allocations set forth in Sections 2(a), 2(b), 2(c), 2(d), 2(e) and 2(f) (the "Regulatory Allocations") are intended to comply with certain requirements of the Treasury Regulations and to the extent they are unintentionally inconsistent with such Treasury Regulations, shall be deemed modified to the extent necessary to make such provision consistent with the Treasury Regulations. It is the intent of the Members that, to the extent possible, all Regulatory Allocations shall be offset either with other regulatory allocations or with special allocations of other items of income, gain, loss, or deduction pursuant to this Section 3. notwithstanding any other provision of this Exhibit C (other than the Regulatory Allocations) the Operating Committee shall make such offsetting special allocations of income, gain, loss, or deduction in whatever manner it determines appropriate so that after such offsetting allocations are made, each Member's Capital Account balance is, to the extent possible, equal to the Capital Account balance such Member would have had if the Regulatory Allocations were not part of this Operating Agreement and allsuch items were allocated pursuant to Section 5 of the Operating Agreement and Section 1 of this Exhibit C. In exercising its discretion under this Section 3, the Operating Committee shall take into account future regulatory allocations under Sections 2(a) and 2(b) that, although not yet made, are likely to offset other regulatory allocations previously made under Sections 2(d) and 2(e).

4. Tax Allocations.

3.

(a) Capital Contributions. In accordance with Section 704(c) of the Code and the Treasury Regulations thereunder, income, gain, loss, and deduction with respect to any Capital Contribution shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its initial Value. Such allocations shall be made in accordance with the curative method described in Section 1.704-3(c) of the Treasury Regulations. It is the intent and agreement of the parties that all the tax amortization under Code Section 197 resulting from the intangible Assets contributed by SPC-WI and SPC-GA will be allocated to SPC-WI and SPC-GA as a result of the rules set forth in Code Section 704(c) and the regulations promulgated thereunder, and that the allocation provisions of the Operating Agreement shall be so interpreted as to cause such result.

- (b) Adjustment of Value. If the Value of any asset of the Company is adjusted, subsequent allocations of income, gain, loss, and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Value as so adjusted in the same manner as under Section 704(c) of the Code and the Treasury Regulations thereunder.
- (c) Elections. Any elections or other decisions relating to such allocations shall be made by the Operating Committee in any manner that reasonably reflects the purpose and intent of the Operating Agreement. Allocations pursuant to this Section 3 are solely for purposes of federal, state and local taxes and shall not affect or in any way be taken into account in computing, any Capital Account or share of Profits, Losses, other items, or Distributions pursuant to any provision of the Operating Agreement.
- 5. Income Tax Consequences. The Members are aware of the income tax consequences of the allocations made by this <u>Exhibit C</u> and hereby agree to be bound by the provisions hereof in reporting their shares of income and loss for income tax purposes.
- 6. Income Allocation in First Year. The Members agree to allocate Profits and Losses for the year 2001 on a pro-rata basis determined by allocating Profits and Losses to Members on a daily basis for the number of days such Members were Members of the Company.

Schedule K-1 (Form 1085) For calendar year 2007, or tax	Part II Partner's Share	led K-1 OMB No. 1545-0099 of Current Year Income,	
Department of the Treasury year beginning Internal Revenue Service	Deductions, Credits, and Other Items		
Partner's Share of Income, Deductions,	1 Ordinary business income (loss) 97,396.	15 Credits	
Credits, etc.	2 Net rental real estate income (loss)		
See separate instructions.		16 Foreign transactions	
Part 1 Information About the Partnership	3 Other net rental income (loss)		
A Partnership's employer identification number 35-2156989	4 Guaranteed payments		
B Partnership's name, address, city, state, and ZIP code	5 Interest Income		
ATOMIZED POWDER COATINGS, LLC	6a Ordinary dividends		
4141 SECOND PARKWAY		17 Alternative min tax (AMT) items	
ATOMIZED POWDER COATINGS, LLC 4141 SECOND PARKWAY TERRE HAUTE, IN 47805 C IRS Center where partnership filed return CINCINNATI, OH Check If this is a publicly traded partnership (PTP)	6b Qualified dividends		
CINCINNATI, OH	7 Royalties		
EUR DISSE		18 Tax-exempt income and	
D Check If this is a publicly traded partnership (PTP)	8 Net short-term capital gain (loss)	nondeductible expenses	
Partill Information About the Partner	9a Net long-term capital gain (loss)		
E Partner's identifying number	9b Collectibles (28%) gain (loss)	18 Distributions	
23-1327640	9c Unrecaptured sec 1250 gain		
F Partner's name, address, city, state, and ZIP code		20 Other Information	
SENTRY PAINT TECHNOLOGIES, INC.	10 Net section 1231 gain (loss)		
237 MILL STREET	11 Other Income (loss)		
DARBY, PA 19023			
G General partner or LLC X Limited partner or other LLC			
member-manager member H X Domestic partner Foreign partner			
H	12 Section 179 deduction		
	18 Other deductions		
J Partner's share of profit, loss, and capital:			
<u> </u>			
Loss 4.5108000% 0.0000000% Capital 50.0000000% 0.0000000%	14 Self-employment earnings (loss)		
K Partner's share of liabilities at year end:			
Nonrecourse	"See attached statement for addition	nal information.	
Qualified nonrecourse financing \$ 0.			
Recourse			
Daniel		·	
L Partner's capital account analysis: Beginning capital account	Ž pa	A	
Beginning capital account \$97,396. Capital contributed during the year \$		IAF	
Beginning capital account \$ -97,396. Capital contributed during the year Current year increase (decrease) \$ 97,396.	STOR DISCUSSION	om purposes only	
Withdrawals & distributions S()	# 5		
Ending capital account \$\$.	<u>π</u> ,		
X Tax basis GAAP Section 704(b) book Other (explain)			

EXHIBIT E

FORM OF NONCOMPETITION AND NONSOLICITATION AGREEMENT [SEE ATTACHED]

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State of Indiana Office of the Secretary of State

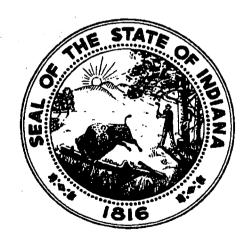
CERTIFICATE OF DISSOLUTION

of

SPC HOLDINGS, LLC

I. Todd Rokita. Secretary of State of Indiana, hereby certify that Articles of Dissolution of the above Domestic Limited Liability Company (LLC) has been presented to me at my office, accompanied by the fees prescribed by law and that the documentation presented conforms to law as prescribed by the provisions of the Indiana Business Flexibility Act.

NOW, THEREFORE, with this document I certify that said transaction will become effective Thursday, December 30, 2010.



In Witness Whereof, I have caused to be affixed my signature and the seal of the State of Indiana, at the City of Indianapolis, December 30, 2010

TODD ROKITA. SECRETARY OF STATE · .-. ja

APPROVED AND FILED TODD ROKITA INDIANA SECRETARY OF STATE 12/30/2010 10:16 AM

ARTICLES OF DISSOLUTION	
Pursuant to the provisions of the Indiana Business Flexibility Act.	
SPC LIGHTINGS LIFE	
SPC HOLDINGS, LLC	
Creation Date: 12/7/2001	
PRINCIPAL OFFICE ADDRESS	
4141 2ND PARKWAY , TERRE HAUTE, IN 47804	
GENERAL INFORMATION	
Dissolution Date: 12/30/2010	

Dissolution Date: 12/30/2010 Effective Date: 12/30/2010 Electronic Signature: JASON SCOBY

Signator's Title: ATTORNEY FOR SPC HOLDINGS, LLC

EXHIBIT A

SPC HOLDINGS, LLC

PLAN OF COMPLETE LIQUIDATION AND DISSOLUTION

- 1. Upon the adoption of this Plan of Complete Liquidation and Dissolution (the "Plan") by its members, SPC Holdings, LLC, an Indiana limited liability company (the "Company"), shall be dissolved and completely liquidated as follows:
- 2. The members of the Company shall proceed with the voluntary dissolution of the Company and file Articles of Dissolution with the Indiana Secretary of State.
- 3. Upon the dissolution of the Company, the Members shall wind up and liquidate the business of the Company in accordance with Indiana Code 23-18-9-3, including without limitation the following in the name of and on behalf of the Company: (a) collecting the Company's assets; (b) prosecuting and defending lawsuits; (c) taking any action necessary to settle and close the business of the Company; (d) disposing of and transferring the property of the Company; (e) discharging or making provision for the discharge of the liabilities of the Company; and (f) distributing to the Members of the Company any remaining assets of the Company in accordance with Indiana Code 23-18-9-6.
- 4. The liabilities of each member for all claims against the Company shall be limited in the manner provided in Indiana Code 23-18-9-9.
- 5. The members of the Company are hereby authorized and directed to execute and file all documents that they deem necessary or appropriate to carry out the purposes and intentions of this Plan, including without limitation Articles of Dissolution under the laws of the State of Indiana and all state and federal forms and tax returns.
- 6. The members of the Company are hereby authorized and directed to pay all fees and taxes which are due and take all actions and execute and file all documents in the Company's name and on its behalf as they deem necessary or appropriate to carry out the purposes and intentions of this Plan.
- 7. The members of the Company are hereby authorized and directed to deliver or publish all notices of the liquidation and dissolution of the Company and take all other actions in the Company's name and on its behalf to commence the statute of limitations for all known and unknown claims against the Company and its members.

D

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT ("Agreement") is made this day of Hori , 2003 by and among SENTRY PAINT TECHNOLOGIES, INC., a Pennsylvania corporation ("Seller"), Sheboygan Paint Company, a Wisconsin corporation ("Purchaser"), BEN BRESKMAN, JOSEPH BRESKMAN, and DOROTHY BRESKMAN ("Shareholders").

RECITALS

- A. Seller is engaged in the business of manufacturing, marketing and selling paint (the "Business").
- B. Purchaser is also engaged in the business of manufacturing, marketing and selling paint.
- C. Purchaser and Seller have entered into a Supply Agreement dated as of February 3, 2003 (the "Supply Agreement").
 - D. The Shareholders own a majority of the shares of Seller.
- E. Seller desires to sell to Purchaser and Purchaser desires to buy from Seller certain assets of Seller on the terms and conditions set forth in this Agreement, and the Shareholders desire for such purchase and sale to occur.

AGREEMENTS

In consideration of the premises and the mutual agreements herein contained, the parties agree as follows:

- 1. <u>Transfer of Assets</u>. Seller agrees to, and hereby does, sell, transfer and deliver to Purchaser, and Purchaser agrees to, and hereby does, purchase from Seller as of the date hereof all right, title, and interest in, to and under all of the assets of Seller listed in this section 1 (the "Purchased Assets"), but not including the Excluded Assets (as defined below) free and clear of all liabilities, obligations, liens and encumbrances:
 - 1.01 Tangible Assets.
- (a) All of Seller's tangible assets, tools, and equipment other than manufacturing equipment, and

- (b) the manufacturing equipment of Seller listed on Schedule 1.01 (together, the "Tangible Assets").
- 1.02 <u>Inventory, Work in Process, and Raw Materials</u>. Seller's inventory, work in process, and raw materials either (a) listed on Schedule 1.02 or (b) selected by Purchaser by notice to Seller at any time after the date hereof.
- 1.03 Intangible Assets. All of Seller's rights, title and interest in and to all goodwill, patents, licenses, trade names (including, without limitation, the name "Sentry Paint Technologies" and any derivation thereof), assumed names, trade dress, business identifiers, trademarks, service marks, software, copyrights, applications and registrations for the foregoing, trade secrets, confidential information, customer lists, formulas, processes, techniques, knowhow, causes of action (including all claims for infringement) and all other intangible assets ("Intangible Assets"), but excluding the Seller's rights versus Fiat (formerly known as New Holland North America, Inc.) with respect to matters being litigated in the Delaware County, Pennsylvania Court of Common Pleas, case No. 01-16599.
- 1.04 <u>Contracts</u>. To the extent required consents to assignment are given by the parties thereto either prior to or after Closing, all rights of Seller under the following contracts:
- (a) all contracts, agreements and commitments that are listed on Schedule 1.04; and
- (b) all contracts with customers of Seller including without limitation all customer purchase orders.

The contracts referred to in subsections (a) and (b) of this section 1.04 are referred to herein as the "Assumed Contracts." The Assumed Contracts shall not include, however, and Purchaser shall not assume, any of the contracts listed on Schedule 1.04 under the heading "Excluded Contracts" or any contract which is not an Assumed Contract (collectively the "Excluded Contracts"). Purchaser shall assume the obligations of Seller under each Assumed Contract which cannot be assigned without the consent of the counterparty to such contract, until such consent is obtained; and the Seller shall provide to Purchaser the benefits of such contracts to the extent reasonably possible.

1.05 <u>Vehicles</u>. All automobiles, trucks, trailers, automotive equipment and other vehicles owned by Seller in connection with the operation of the Business, including, without limitation, those listed on Schedule 1.05 ("Vehicles").

- 1.06 <u>Licenses and Permits</u>. All of Seller's rights in all government licenses, approvals, permits and authorizations (and any applications for the foregoing) listed on Schedule 1.06 which are both (a) transferable and (b) necessary for the Seller's use of the facility under the Lease (as defined below) ("Licenses and Permits").
- documents, computer source codes and programs, books, supplier, dealer and customer lists, work orders, credit information and correspondence, operating data, drawings, blueprints, financial information of Seller relating to the Business and all other records and documents used by Seller in connection with the operation of the Business, except as provided in section 2 hereof ("Documents"); provided, however, that Seller's corporate and tax records, including its minute book, shall remain property of Seller but shall be available to representatives of Purchaser from time to time upon advance notice for review and reproduction to the extent reasonably necessary to carry out the intent of this Agreement or other Agreements entered into by the parties or their affiliates in connection with this Agreement.
- 1.08 Notes and Accounts Receivable. All notes, drafts and accounts receivable of Seller accrued on or after February 3, 2003.

To the extent that any Purchased Asset is not assignable without the consent of another person or entity, and to the extent such consent is not obtained prior to Closing, this Agreement shall, subject to the rights of any such person or entity, constitute an assignment of Seller's interest in such Purchased Asset. Seller agrees, at its expense, to use reasonable efforts to obtain the consent of such other person or entity to the assignment of any such Purchased Asset to the Purchaser. If any such consent shall not be obtained, Seller shall provide, or make arrangement to provide, Purchaser, in a manner acceptable to Purchaser, the benefits of the relevant Purchased Asset, including enforcement at the cost of Seller and for the account of the Purchaser of any and all rights of Seller against the other person or entity.

- 2. <u>Assets Excluded From Sale</u>. There shall be excluded from sale under this Agreement those assets specifically identified in Schedule 2 attached hereto (the "Excluded Assets").
- 3. <u>Liabilities</u>. Except for the liabilities listed on Schedule 3 (the "Assumed Liabilities"), Purchaser shall not assume, and shall not be obligated to pay, perform or discharge any debts, liabilities or obligations of Seller, whether actual, contingent or accrued, known or unknown, which liabilities shall be retained by Seller and shall hereafter be referred to as the "Excluded Liabilities."

4. Purchase Price.

- 4.01. Amount. In consideration of Seller's sale, assignment and transfer of the Purchased Assets and the performance by it of all of the terms, covenants and provisions of this Agreement on its part to be kept and performed:
- (a) Purchaser shall pay to Seller the sum of Four Hundred Sixty Thousand Seven Hundred Twelve and 76/100 Dollars (\$460, 712.76) (the "Cash Purchase Price"); and
- (b) beginning on the date of this Agreement and until the fifth (5th) anniversary hereof, Purchaser shall pay to Seller a commission (the "Sales Commission") of two and one-half percent (2.5%) on Purchaser's Net Sales to Sentry Existing Customers. The Sales Commission shall be paid monthly, no later than sixty (60) days after the end of the month for which the Sales Commission is payable. For purposes of this Agreement, "Net Sales to Existing Sentry Customers" shall mean sales collections from those customers of Purchaser who were customers of Seller during the one-year period prior to the date hereof or within 60 days after the date hereof, less allowances, credits, sales taxes, shipping charges, returns, refunds, and rebates, and commissions to payable to Petroleum Sales Corporation and Gunite. Notwithstanding anything else in this section 4.01, any Sales Commission payable hereunder shall be reduced in amount by one-half until the aggregate amount of such reductions equals the Raw Material Consumption. For purposes hereof, "Raw Material Consumption" shall mean the difference between the value (at Seller's cost) of Seller's raw materials as of February 3, 2003 as set forth on Schedule 4.01, and the value (at Seller's cost) of the remainder of such raw materials as of the date hereof, as determined by an inventory performed by Seller and Purchaser as of the close of business on the last business day prior to the date hereof. Notwithstanding anything else in this section 4.01, Purchaser may offset any other amount due to Purchaser under this Agreement against any Sales Commission payable hereunder.
- 4.02. Manner of Payment of Cash Purchase Price. At Closing, Purchaser shall pay to Seller, by wire transfer of immediately available funds to the account or accounts designated by Seller, the Cash Purchase Price, less \$9,468.08 already paid by check.
- 4.03. Allocation of Purchase Price. The Cash Purchase Price shall be assigned and allocated to the Purchased Assets, for Federal and state income tax reporting purposes, in accordance with the mutual agreement of the parties. The Sales Commission shall be considered a contingent payment sale subject to Section 453 of the Internal Revenue Code of 1986, as amended (the "Code"). The parties acknowledge that each payment of a Sales Commission will be deemed, for Federal and state income tax reporting purposes, to consist of an interest

component (using the applicable Federal rate of interest of 2.92%) and a principal component, and such interest shall be reported by both parties pursuant to Section 483 of the Code.

5. <u>Closing</u>. The closing (the "Closing") of the transactions pursuant to this Agreement shall take place concurrently with the execution and delivery hereof, at the offices of Reinhart Boerner Van Deuren s.c., 1000 North Water Street, Suite 2100, Milwaukee, Wisconsin, or such other time and place as Seller and Purchaser may agree.

6. Noncompete/Confidentiality/Relations with Suppliers.

- 6.01 <u>Noncompete</u>. Each of the Seller and the Shareholders covenants and agrees with Purchaser that, for a period beginning on the Closing Date and ending three (3) years thereafter, he, she or it will not, either directly or indirectly, in any capacity:
- (a) Provide products or services similar to the products or services sold by the Business ("Competitive Products") to any person or entity within the Territory (as defined below), or contact or solicit any person or entity within the Territory for the purpose of providing Competitive Products. For purposes of this Agreement, "Territory" means any state in which the Seller had a customer within the two (2) year period ending on the Closing Date.
- (b) Have a financial or ownership interest in any business, activity or enterprise which designs, manufactures, sells or distributes Competitive Products in the Territory; provided, however, that the ownership of less than a 2% interest in a corporation whose shares are traded in a recognized stock exchange or traded in the over-the-counter market, even though that corporation may sell Competitive Products in the Territory, shall not be deemed financial participation in a competitor;

provided, however, that operation and maintenance, by Seller, Benjamin Breskman, and Joseph Breskman, of those assets of Seller described on Schedule 2, shall not be prohibited by this Section 6.01.

6.02 <u>Confidential Information</u>. Each of the Seller and the Shareholders agrees and acknowledges that the strategic plans, customer and supplier lists and information, pricing policies, procedures, operations, techniques and other similar confidential and proprietary information of the Business (collectively "Confidential Information") have been established at great expense and protected by the Seller as Confidential Information, are extremely valuable to the Purchaser and will provide Purchaser with a substantial competitive advantage in conducting the Business as previously conducted by the Seller. Therefore, each

of the Seller and the Shareholders agrees that for three (3) years, or until such information becomes known to the general public through no fault of the Seller, any Shareholder or any other person under a duty of confidentiality to Purchaser, neither the Seller nor any Shareholder shall use or disclose, or cause to be used or disclosed, directly or indirectly, any Confidential Information in any geographic area where the disclosure of such information could damage the Purchaser or the Business.

- 6.03 <u>Relations with Suppliers</u>. Each of the Seller and the Shareholders agrees that for three (3) years commencing on the Closing Date, the Seller and the Shareholders will not cause, request or advise any supplier of the Purchaser to curtail or cancel its business with Purchaser.
- 7. Representations and Warranties of Seller and Shareholders. Seller and Shareholders jointly and severally represent and warrant to Purchaser as of this date and as of the Closing Date that:
- 7.01 Corporate Organization. Seller is a corporation duly organized and validly existing under the laws of the Commonwealth of Pennsylvania and has filed all reports required to be filed with the Secretary of State of the Commonwealth of Pennsylvania and has all corporate power and authority to own, operate and lease its properties and carry on its business as now conducted. Seller is duly licensed and qualified to do business in and is in good standing under the laws of each state or other jurisdiction where failure to do so would adversely affect the Business.
- 7.02 Authorization of Agreement. Seller has all necessary corporate power and authority to execute and deliver this Agreement and to consummate the transactions provided for herein. The execution and delivery of this Agreement by Seller and the performance by it of the obligations to be performed hereunder have been duly authorized by all necessary and appropriate action by the Board of Directors and shareholders of Seller. The execution and delivery of this Agreement and the other agreements to be executed and delivered pursuant to this Agreement do not and will not, with or without the giving of notice or the passage of time, conflict with, result in or constitute a breach, default, right to accelerate or loss of rights under, or result in the creation of any lien, charge or encumbrance pursuant to, the terms or conditions of Seller's Articles of Incorporation or By-Laws, any law, rule, regulation, statute, order, judgment or decree or any contract, agreement, lease, license or instrument to which Seller is a party or by which Seller or the Purchased Assets are bound or affected. This Agreement is, and each other agreement and document to be executed by Seller or the any of the Shareholders pursuant hereto will be when so executed, a valid and binding obligation of Seller and/or the Shareholders, as the case may be, enforceable in accordance with their terms, except that enforcement may be

limited by a bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors rights generally and by general equitable principles.

- 7.03 <u>Title to Purchased Assets</u>. Seller has good and marketable title to all Purchased Assets, free and clear of all mortgages, security interests, title retention agreements, options to purchase, rights of first refusal, liens, easements, encumbrances, restrictions and other burdens of any nature whatsoever ("Liens"), except for those Liens described on Schedule 7.03, which will be released on or before Closing. None of the Purchased Assets are subject to any restrictions with respect to the transferability thereof and the Seller has complete and nonrestricted power and right to sell, assign, convey and deliver the Purchased Assets to Purchaser as contemplated hereby. At Closing, Purchaser will receive good and marketable title to all the Purchased Assets, free and clear of all Liens.
- Contracts and Leases. Seller is not a party to, is not obligated under, and does not have any oral or written rights, obligations, powers of attorney, contracts, agreements, leases or licenses with respect to the Business or the Purchased Assets other than (a) the Assumed Contracts and (b) the Excluded Contracts, listed on Schedule 1.04. All Assumed Contracts are legally valid and binding and in full force and effect with respect to the parties thereto. Neither Seller nor, to Seller's and Shareholders' knowledge, any of the other parties to any of the Assumed Contracts are in default or breach thereof, and Seller has no notice or knowledge of any claimed breach, or of the occurrence of any event which after the passage of time or the giving of notice or both would constitute a breach by any party to any Assumed Contract. None of the rights of Seller under the Assumed Contracts will be impaired in any respect by the consummation of the transactions contemplated by this Agreement. Except as listed on Schedule 7.04, the Assumed Contracts are validly assignable and all of the rights of Seller thereunder will be enforceable by Purchaser after Closing without the consent or agreement of any other party except for consents delivered by Seller at Closing. Seller has delivered to Purchaser complete and correct copies of all written Assumed Contracts and written summaries of all oral Assumed Contracts.
- 7.05 Litigation and Proceedings; Product Liability. Except as listed on Schedule 7.05, there is no claim, demand, cause of action, investigation, inquiry, suit, action or legal, administrative, arbitrative or other proceeding (including without limitation with respect to products liability) ("Claim") pending or, to Seller's knowledge, threatened against Seller with respect to the Business or affecting the Purchased Assets, and, to Seller's knowledge, Seller is not under investigation with respect to any charge concerning violation of any law or administrative regulation, federal, local or state, in respect to the operation of the Business or the Purchased Assets. Set forth on Schedule 7.05 is a summary of all Claims that were made or pending against Seller in the three years prior to the date of this Agreement. Such summary includes a brief description of each such

Claim, the amount or value of such Claim, and a brief description of its current status or final disposition.

7.06 Compliance with Environmental Laws.

- (a) The term "Environmental Laws" shall mean all federal, state and local laws including statutes, regulations and other governmental restrictions and requirements relating to the discharge of air pollutants, water pollutants or process wastewater or the disposal of solid or hazardous waste or otherwise relating to the environment or hazardous substances or employee health and safety.
- (b) The term "Hazardous Substances" shall mean all hazardous and toxic substances, wastes and materials; any pollutants or contaminants (including, without limitation, petroleum products, asbestos and raw materials which include hazardous constituents); and any other similar substances or materials which are regulated under Environmental Laws.

(c) Schedule 7.06 describes:

- (i) With expiration dates, all permits, licenses, approvals and consents issued by or received from government agencies (including local sewerage districts) relating to Environmental Laws or Hazardous Substances which are held by Seller and which relate to Seller's owned or leased real property (the "Real Property") or the Business (the "Environmental Permits").
- (ii) In general terms, the storage, use or generation of Hazardous Substances by Seller at the Real Property during the period Seller has owned or occupied the Real Property or of which Seller has notice or knowledge.
- (iii) All above- and below-ground storage tanks on the Real Property and identifies all products and materials ever to have been stored in such tanks.
- (d) The Environmental Permits are in full force and effect and constitute all permits, licenses, approvals and consents relating to Environmental Laws or Hazardous Substances required of Seller for the conduct of the Business and the use of the Real Property (as presently conducted and used). No applications for permits or reports filed by Seller in connection with any Environmental Law or Environmental Permit contained any untrue statement of material fact or omitted any statement of material fact necessary to make the statements made not misleading.

- (e) Seller has filed all reports, returns and other filings required to be filed with respect to the Real Property and the Business under Environmental Laws and the Environmental Permits, except as described in the schedule to this section. Seller has furnished Purchaser complete copies of all environmental filings made by Seller since January 1, 1999.
- (f) The Business and the Real Property have been and are being operated by Seller in accordance with all Environmental Laws and Environmental Permits. Seller has not received any notice nor does Seller or Shareholders have any knowledge that the Business or the Real Property are not in compliance with all Environmental Laws and Environmental Permits and no proceeding for the suspension, revocation or cancellation of any Environmental Permit is pending or, to Seller's or Shareholders' knowledge, threatened.
- Except as disclosed in Schedule 7.06, there are no (g) actions pending, or to the knowledge of Seller, actions, claims or investigations threatened against Seller, the Business or the Real Property, which in any case asserts or alleges (i) the Seller or the Real Property violated any Environmental Law or Environmental Permit or is in default with respect to any Environmental Permit or any order, writ, judgment, variance, award or decree of any government authority; (ii) Seller is required to clean up or take remedial or other responsive action due to the disposal, discharge or other release of any Hazardous Substance on the Real Property or elsewhere; or (iii) Seller is required to contribute to the cost of any past, present or future cleanup or remedial or other response action which arises out of or is related to the disposal, discharge or other release of any Hazardous Substance by Seller or the Business. Except as disclosed in the Schedule to this section, Seller, the Business and the Real Property are not subject to any judgment, stipulation, order, decree or other agreement arising under any Environmental Laws.
- (h) Except as disclosed in Schedule 7.06, with respect to the period during which Seller owned or occupied the Real Property and, to Seller's or Shareholders' knowledge, with respect to the time before Seller owned or occupied the Real Property: (i) no Hazardous Substances have been treated, recycled or disposed of (intentionally or unintentionally) on, under or at the Real Property; (ii) there has been no release or threatened release of any Hazardous Substance from the Real Property; (iii) there have not been nor are there now any materials containing asbestos or PCBs on the Real Property; and (iv) there have been no activities on the Real Property which would subject Purchaser or any subsequent owner or lessee of the Real Property to damages, penalties, injunctive relief or cleanup costs under any Environmental Laws or common law theory of liability. Except as disclosed in the Schedule to this section, to Seller's or Shareholders' knowledge, no property adjacent to the Real Property has ever been used for the treatment, recycling or disposal (intentional or unintentional) of

Hazardous Substances nor has there been a release or threatened release of any Hazardous Substances from such adjacent property.

- 7.07 Taxes. All federal, state, county and local income, excise, sales, transfer, use, gross receipts, ad valorem, payroll and other taxes, fees and assessments imposed on Seller and payable by Seller and all federal and state payroll taxes required to be withheld by Seller have been or will be duly, timely and fully reported, paid and discharged except to the extent such obligations are specifically assumed by Purchaser. All federal, state, county, local and other tax returns required to be filed by or on behalf of Seller have been timely filed.
- Employee Benefits Plans. Seller has provided Purchaser a correct and complete list of all employee benefits plans maintained by Seller as of the Closing Date.
- Intangible Assets. All formulas relating to the Business have been disclosed by Seller to Purchaser pursuant to the Supply Agreement. There are no patents, trademarks, trade names (other than "Sentry Paint Technologies"), trade dress, service marks, or copyrights used or useful in the Business. All trade secrets, confidential information, know-how, inventions and formulas used in the Business are fully assignable by Seller and are being transferred hereunder free and clear of any adverse claims or interests. No licenses, sublicenses, covenants or agreements have been granted or entered into by Seller relating to any such trade secrets, know-how, formulas and other confidential information. The Business and the use of its products by customers have not involved any infringement, and there exists no reasonable basis for any claim of infringement, of any patents, trademarks, trade names, service marks, copyrights, licenses or intangible assets of others. The Seller does not require any of such rights or intangible assets that it does not already have in order to conduct its Business as currently being conducted or proposed to be conducted. There are no inquiries, investigations or claims or litigation challenging or threatening to challenge the Seller's right, title and interest with respect to its continued use and right to preclude others from using any such trade rights or intangible assets.
- Compliance with Law. The Seller and the operations of the Business and the use of the Purchased Assets are in material compliance with all applicable federal, state, local and international laws or ordinances and any other rule or regulation of any international federal, state or local agency or body, including, without limitation, all energy, safety, environmental, zoning, health, export, import, trade practice, antidiscrimination, antitrust, wage, hour and price control laws, orders, rules or regulations.
- Subsidiaries and Certain Transactions. Seller has no subsidiaries other than its ownership interest in Atomized Powder Coatings, LLC. MW\958255 6JJL:NAK 04/30/03

No part of the property or assets of any of Seller's shareholders or any direct or indirect subsidiary or affiliate of any of Seller's shareholders is used by Seller.

7.12 [reserved]

- 7.13 <u>Disclosure</u>. No warranty or representation by Seller contained, or deemed to be made by Seller, in this Agreement or in any writing to be furnished pursuant hereto contains or will contain any untrue statement of fact or omits or will omit to state any fact required to make the statements therein contained not misleading. All statements and information contained in any certificate, instrument, disclosure schedule or documents delivered by or on behalf of the Seller to Purchaser or its representatives pursuant hereto shall be deemed representations and warranties by the Seller and the Shareholders.
- 8. Representations and Warranties of Purchaser. Purchaser represents and warrants to Seller as of this date and as of the Closing Date that:
- 8.01 Organization. Purchaser is a corporation duly organized and validly existing under the laws of the State of Wisconsin and has filed all reports required to be filed with the Department of Financial Institutions of the State of Wisconsin and has all corporate power and authority to own, operate and lease its respective properties and carry on its respective businesses as now conducted. Purchaser is duly licensed and qualified to do business in and is in good standing under the laws of each state where failure to do so would adversely affect the business of Purchaser.
- 8.02 Authorization of Agreement. Purchaser has all necessary corporate power and authority to execute and deliver this Agreement and to consummate the transaction provided for herein. The execution and delivery of this Agreement by Purchaser and the performance by Purchaser of the obligations to be performed hereunder have been duly authorized by all necessary and appropriate action by the Board of Directors of Purchaser. The execution and delivery of this Agreement and the other agreements required to be executed and delivered pursuant to this Agreement and the consummation of the transactions contemplated hereby and thereby do not and will not conflict with or result in a breach of, or constitute a default under, the terms or conditions of Purchaser's Articles of Incorporation or By-Laws, any law, rule, regulation, statute, order, judgment or decree or any agreement or instrument to which Purchaser is a party or by which Purchaser or its assets are bound or affected. This Agreement is, and each other agreement and document to be executed by Purchaser pursuant hereto will be when so executed, a valid and binding obligation of Purchaser enforceable in accordance with their terms, except that enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors rights generally and by general equitable principles.

- 8.03 <u>Disclosure</u>. No warranty or representation by Purchaser contained in this Agreement or in any writing to be furnished pursuant hereto or previously furnished to Seller contains or will contain any untrue statement of fact or omits or will omit to state any fact required to make the statements therein contained not misleading. All statements and information contained in any certificate, instrument, disclosure schedule or document delivered by or on behalf of the Purchaser to Seller or its representatives pursuant hereto shall be deemed representations and warranties by the Purchaser.
- 9. Access to Books and Records After Closing. For a period of seven (7) years following the Closing Date, Seller shall maintain in a reasonably accessible place any books and records not delivered to Purchaser hereunder relating to the Business, to provide Purchaser and its representatives reasonable access to such books and records during normal business hours and to provide copies of such books and records to Purchaser or its representatives. Seller agrees to notify Purchaser prior to disposing of any such books and records and, upon request made within 60 days after receipt of such notice, to deliver such books and records to Purchaser at Purchaser's expense.
- 10. <u>Purchaser's Deliveries on or Prior to Closing</u>. At the Closing, Purchaser shall deliver or cause to be delivered to Seller the following documents:
- (a) Certified copies of resolutions adopted by the Board of Directors of Purchaser authorizing the purchase of the Purchased Assets in accordance with this Agreement.
- (b) A certificate of status for Purchaser issued by the Department of Financial Institutions of the State of Wisconsin within one week of the Closing Date.
- (c) The Employment Agreement in the form attached hereto as Exhibit 10(c) ("Employment Agreement") duly executed by Purchaser, Inland Realty, Inc. and the Sheboygan Paint Company of Cedartown, Georgia.
- (d) The lease in the form attached hereto as Exhibit 10(d), duly executed by Purchaser (the "Lease").
- 11. Seller's Deliveries on or Prior to Closing. At the Closing, Seller shall have delivered or cause to be delivered to Purchaser the following documents:
- (a) A Warranty Bill of Sale duly executed by Seller, in the form attached hereto as Exhibit 11(a).

- (b) Such written consents to the transfer or assignment to Purchaser of any of the Purchased Assets, including the Assumed Contracts, where the consent of any other party may be required for such assignment or transfer, to the extent obtained by Seller prior to Closing.
- (c) Titles and registrations to all Vehicles, duly executed by Seller.
- (d) A certified copy of the resolutions adopted by the Board of Directors and shareholders of Seller authorizing the execution of this Agreement and the sale of the Purchased Assets to Purchaser in accordance with the terms hereof.
- (e) Certificate of status of Seller issued by the Secretary of State of Pennsylvania and other appropriate jurisdictions within one week of the Closing Date.
- (f) Articles of Amendment, duly executed in duplicate by the proper officers of Seller, in a form acceptable to Purchaser's counsel, changing Seller's name to a name that does not include the words "Sentry Paint Technologies, Inc."
- (g) Releases of mortgages, liens and/or financing statements to reflect the termination of any Liens against, or security interest in, any of the Purchased Assets.
- (h) The Employment Agreement, duly executed by Ben Breskman.
 - (i) The Lease, duly executed by Seller.

12. Indemnification by Purchaser.

12.01 <u>Indemnification</u>. Notwithstanding the Closing, and regardless of any investigation made at any time by or on behalf of Seller or any information Seller may have, Purchaser hereby covenants and agrees to indemnify, defend and hold Seller and each of Seller's shareholders, officers, directors, employees, agents successors and assigns ("Seller's Indemnified Persons") harmless from and against any demand, claim, damage, liability, loss (which will include any diminution in value), cost or deficiency (including, but not limited to, interest, penalties, costs of preparation and investigation and the reasonable fees, disbursements and expenses of attorneys, accountants and other professional advisors), imposed or incurred by

Seller's Indemnified Persons, directly or indirectly, arising out of, resulting from or relating to:

- (a) any inaccuracy in or breach of any representation or warranty of Purchaser pursuant to this Agreement, whether or not Seller's Indemnified Persons relied thereon or had knowledge thereof, including schedules and documents delivered pursuant hereto;
- (b) any failure of Purchaser to duly perform or observe any term, provision, covenant or agreement to be performed or observed by Purchaser pursuant to this Agreement;
- (c) any failure by Purchaser to perform or pay as due the Assumed Liabilities; or
- (d) The operation of the Business after Closing by Purchaser.

No demand or claim for indemnification pursuant to section 12.01(a), (b) or (c) shall be made after 20 months following the Closing Date.

12.02 <u>Procedures</u>. Seller shall give Purchaser prompt notice of any written claim, demand, assessment, action, suit or proceeding to which the indemnity set forth in this section 12 applies. Failure to give timely notice of a matter which may give rise to an indemnification claim shall not affect the rights of Seller's Indemnified Persons to collect such Loss from Purchaser so long as such failure to so notify does not materially adversely affect Purchaser's ability to defend such Loss against a third party.

If Seller's Indemnified Person's request for indemnification arises from the claim of a third party, Purchaser may, at its option, assume control of the defense of any such claim, or any litigation resulting from such claim. Failure by Purchaser to notify Seller of its election to defend a complaint by a third party within 5 days after receiving notice of such complaint shall be a waiver by Purchaser of its right to respond to such complaint and within 20 days after notice thereof shall be a waiver by Purchaser of its right to assume control of the defense of such claim or action. If Purchaser assumes control of the defense of such claim or litigation resulting therefrom, Purchaser shall take all reasonable steps necessary in the defense or settlement of such claim or litigation resulting therefrom and Purchaser shall hold Seller's Indemnified Persons, to the extent provided in this section 12, harmless from and against all Losses arising out of or resulting from any settlement approved by Purchaser or any judgment in connection with such claim or litigation. Notwithstanding Purchaser's assumption

of the defense of such third-party claim or demand, Seller's Indemnified Persons shall have the right to participate in the defense of such third-party claim or demand at its own expense. Purchaser shall not, in the defense of such claim or litigation, consent to entry of any judgment against any of Seller's Indemnified Persons or enter into any settlement, involving any of Seller's Indemnified Persons, except in either case with written consent of such Seller's Indemnified Persons, which consent shall not be unreasonably withheld. Each of Seller's Indemnified Persons shall furnish Purchaser in reasonable detail all information such person may have with respect to any such third-party claim and shall make available to Purchaser and its representatives all records and other similar materials which are reasonably required in the defense of such third-party claim and shall otherwise cooperate with and assist Purchaser in the defense of such third-party claim.

If Purchaser does not assume control of the defense of any such third-party claim or litigation resulting therefrom, each of Seller's Indemnified Persons may defend against such claim or litigation in such manner as it may reasonably deem appropriate, and Purchaser shall promptly indemnify each of Seller's Indemnified Persons from any Loss indemnifiable under section 12.01 incurred in connection therewith.

13. Indemnification by Seller and Shareholders.

of any investigation made at any time by or on behalf of Purchaser or any information Purchaser may have, Seller, its successors and Shareholders hereby agree to jointly and severally indemnify, defend and hold Purchaser, each of Purchaser's subsidiaries, shareholders, affiliates, officers, directors, employees, agents, successors and assigns (Purchaser and such persons, collectively, "Purchaser's Indemnified Persons") harmless from and against any demand, claim, damage, liability, loss (which shall include any diminution in value), cost, deficiency or expense (including, but not limited to, interest, penalties, costs of preparation and investigation, and the reasonable fees, disbursements and expenses of attorneys, accountants and other professional advisors) (collectively, "Losses") imposed or incurred by Purchaser's Indemnified Persons, directly or indirectly, arising out of, resulting from or relating to:

(a) any inaccuracy in or breach of any representation or warranty of Seller or Shareholders pursuant to this Agreement in any respect, whether or not Purchaser's Indemnified Persons relied thereon or had knowledge thereof, including schedules and documents delivered pursuant hereto;

- (c) any failure of Seller to duly perform or observe any term, provision, covenant or agreement to be performed or observed by Seller pursuant to this Agreement;
- (d) any and all Losses arising out of or relating to claims asserted against Purchaser's Indemnified Persons under the Wisconsin Uniform Commercial Code Bulk Transfers or any similar law; or
- (d) any and all liabilities or obligations of Seller other than the Assumed Liabilities.

The obligations of Seller and Shareholders to indemnify and hold Purchaser's Indemnified Persons harmless as described herein shall survive Closing and the consummation of the transactions contemplated by this Agreement, as provided in section 13.04.

13.02 <u>Procedures</u>. Purchaser's Indemnified Persons shall give Seller (who shall in turn notify Shareholders) prompt notice of any written claim, demand, assessment, action, suit or proceeding to which the indemnity set forth in this section 13 applies. Failure to give timely notice of a matter which may give rise to an indemnification claim shall not affect the rights of Purchaser's Indemnified Persons to collect such Loss from Seller and Shareholders so long as such failure to so notify does not materially adversely affect Seller's or Shareholders' ability to defend such Loss against a third party.

If Purchaser's Indemnified Persons request for indemnification arises from the claim of a third party, Seller may, at its option, assume control of the defense of any such claim, or any litigation resulting from such claim. Failure by Seller to notify Purchaser's Indemnified Persons of its election to defend a complaint by a third party within 5 days shall be a waiver by Seller of its right to respond to such complaint and within 20 days after notice thereof shall be a waiver by Seller of its right to assume control of the defense of such claim or action. If Seller assumes control of the defense of such claim or litigation resulting therefrom, Seller shall take all reasonable steps necessary in the defense or settlement of such claim or litigation resulting therefrom and Seller and Shareholders shall hold Purchaser's Indemnified Persons, to the extent provided in this section 13, harmless from and against all Losses arising out of or resulting from any settlement approved by Seller or any judgment in connection with such claim or litigation. Notwithstanding Seller's assumption of the defense of such third-party claim or demand, Purchaser's Indemnified Persons shall have the right to participate in the defense of such third-party claim or demand at its own expense. Seller shall not, in the defense of such claim or litigation, consent to entry of any judgment against any of Purchaser's Indemnified Persons or enter into any settlement, involving any of Purchaser's Indemnified Persons, except in either

case with written consent of Purchaser's Indemnified Persons, which consent shall not be unreasonably withheld. Purchaser's Indemnified Persons shall furnish Seller in reasonable detail all information Purchaser's Indemnified Persons may have with respect to any such third-party claim and shall make available to Seller and its representatives all records and other similar materials which are reasonably required in the defense of such third-party claim and shall otherwise cooperate with and assist Seller in the defense of such third-party claim.

If Seller does not assume control of the defense of any such third-party claim or litigation resulting therefrom, Purchaser's Indemnified Persons may defend against such claim or litigation in such manner as it may reasonably deem appropriate, and Seller and Shareholders shall promptly indemnify Purchaser's Indemnified Persons from any Loss indemnifiable under section 13.01 incurred in connection therewith.

- 13.03 Payment. Purchaser's Indemnified Persons shall be entitled to recover any Losses pursuant to this section 13 by means of set off, in good faith, of any such Losses against payments or amounts due to Seller or Shareholders. Should Purchaser's Indemnified Persons subsequently be found not to be entitled to indemnification under this section 13, Purchaser's Indemnified Persons shall pay Seller or Shareholders, as the case may be, as full and complete liquidated damages and not as a penalty, such disallowed offset amount and interest on the amount so offset calculated from the later of the date of setoff or the maturity date of the obligations to Seller or Shareholders, as the case may be, to the date of payment, at the annual rate of seven percent (7%).
- or claim for indemnification pursuant to section 13.01(a) and (b) shall be made after 20 months following the Closing Date, except as follows: (a) claims for indemnification for representations or warranties contained in section 7.01, 7.02 and 7.03 may be made up to the fifth anniversary of the Closing Date; (b) claims for indemnification for representations and warranties contained in section 7.06 may be made up to the seventh anniversary of the Closing Date; and (c) claims for indemnification for representations and warranties contained in section 7.07 may be brought at any time until the underlying tax obligation is barred by the applicable period of limitation under federal and state laws relating thereto (as such may be extended by waiver).
- 13.05 <u>Remedies Cumulative</u>. The remedies provided by this section 13 shall be cumulative and shall not preclude the assertion by Purchaser's Indemnified Persons of any other rights or the seeking of any other remedies against Seller.

each other that there are no business brokerage or finders' fees in connection with the transactions contemplated hereby resulting from any actions taken by them and they hereby indemnify, save and hold each other harmless from and against claims by any broker or finder for a fee or expense which is based in any way on an agreement, arrangement or understanding made or alleged to have been made by them relating to the transactions contemplated hereby.

15. Miscellaneous.

- 15.01 Amendment and Severability. This Agreement may only be amended by a written agreement of the parties hereto. If any provision, clause or part of this Agreement or the application thereof under certain circumstances, is held invalid, the remainder of this Agreement, or the applications of each provision, clause or part under other circumstances, shall not be affected thereby.
- 15.02 <u>Waiver</u>. The failure of Seller or Purchaser to insist, in any one or more instances, upon performance of any of the terms or conditions of this Agreement, shall not be construed as a waiver or relinquishment of any rights granted hereunder or the future performance of any such term, covenant or condition. Moreover, Purchaser's decision to close this transaction notwithstanding its constructive or actual knowledge of the breach by Seller or Shareholders of one or more of their representations, warranties or obligations hereunder shall not relieve such parties of their indemnification obligations hereunder with respect to such breach; in such case, Purchaser specifically is relying upon Seller's indemnification obligation, as well as the underlying representation, warranty or contractual obligation. All rights and remedies granted in this Agreement to Purchaser shall be cumulative and nonexclusive of all other rights and remedies that Purchaser may have.
- 15.03 Notices. Any notice to be given hereunder shall be deemed given and sufficient if in writing and delivered or mailed by registered or certified mail, or if received at the facsimile number(s) set forth below, in the case of Seller or any Shareholder, to:

Sentry Paint Technologies, Inc. 237 Mill Street Darby, PA 19023 Attn: Benjamin Breskman, President Facsimile No. 610-522-9278

with a copy to:

Dilworth Paxson LLP 3200 Mellon Bank Center

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1735 Market Street
Philadelphia, PA 19103
Attn: Barbara Ilsen
Facsimile No. 215-575-7200

and, in the case of Purchaser, to:

Sheboygan Paint Company 1438 North 25th Street Sheboygan, WI 53082-0417 Attn: Brock Brownrigg Facsimile No. 920-458-5620

with a copy to:

Reinhart Boerner Van Deuren s.c. 1000 North Water Street, Suite 2100 Milwaukee, WI 53202 Attn: Robert Dallman Facsimile No. 414-298-8097

or to such other address as Seller or Purchaser may designate by notice in writing to the other.

15.04 <u>Benefit</u>. This Agreement shall be binding upon and inure to the benefit and burden of and shall be enforceable by Purchaser, its successors and permitted assigns, and Seller, Shareholders, their successors and permitted assigns. This Agreement may not be assigned by any party without the written consent of the others.

Purchaser in connection with the transactions contemplated hereby, including, without limitation, legal and accounting fees, shall be the responsibility of and for the account of the party who ordered the particular service or incurred the particular expense, except (a) as otherwise provided herein; and (b) any and all federal, state or local income, sales, use or other taxes arising out of, resulting from or relating to Seller's sale of the Purchased Assets and any and all real or personal property taxes or assessments applicable to the period before the Closing Date, shall be paid by Seller.

15.06 <u>Bulk Sales</u>. Subject to section 13.01(c), the parties hereby waive compliance with the Wisconsin Uniform Commercial Code - Bulk Transfers and all similar laws.

- 15.07 <u>Public Announcement</u>. No public announcement of the transactions contemplated hereby shall be made by way of press release, disclosure to the trade or otherwise except with the mutual approval of the parties.
- 15.08 Specific Performance. In the event of any controversy concerning the rights or obligations under this Agreement, such rights or obligations shall be enforceable in a court of equity by a decree of specific performance. Such remedy shall, however, be cumulative and nonexclusive and shall be in addition to any other remedy which the parties may have.
- 15.09 Entire Agreement. This Agreement and the schedules and other documents to be delivered pursuant hereto constitute the entire agreement among the parties hereto and there are no agreements, representations or warranties which are not set forth herein. All prior negotiations, agreements and understandings are superseded hereby, including, without limitation, that certain letter of intent dated February 7, 2003. This Agreement may not be amended or revised except be a writing signed by the parties hereto. All parties being represented by counsel, no one party shall be deemed the drafter of this Agreement with respect to its interpretation.
- application and interpretation thereof, shall be governed exclusively by the internal laws of the State of Wisconsin without reference to any provision or rule thereof which would cause the application of the law of any other state, provided, however, that because the Purchased Assets are located in Pennsylvania, the provisions of the Wisconsin Commercial Code Bulk Transfers shall not apply to this Agreement, and Pennsylvania law with respect to bulk transfers and bulk purchases shall apply. Any action related to this Agreement or brought to enforce the terms hereof shall be brought in the Wisconsin Circuit Court located in Sheboygan County, Wisconsin, or in the Federal District Court for the Eastern District of Wisconsin, and each of the parties hereby consent to such jurisdiction and venue and waive any right to object to such jurisdiction and venue.

(signatures on next page)

IN WITNESS WHEREOF, the parties have executed this Asset Purchase Agreement as of the date first set forth above:

PURCHASER:

SHEBOY GAMPAINT COMPANY

BY

Brock Brownrigg, Presider

SELLER:

SENTRY PAINT TECHNOLOGIES,

INC.

BY

Ben Breskman, President

SHAREHOLDERS:

Benjamin Breskman

Joseph Bressman

Dorothy Breskman

INVENTORY of "UNBOLTED" PLANT EQUIPMENT

FORK LIFTS

- 2 riding
- I stand-up driver
- 3 walk-behind
- I electric pallet jack
- 1 manual pallet jack

PORTABLE PANS

- 1 94-gal carbon steel
- 5 150-gal carbon steel
- 2 150-gal stainless steel
- 1 230-gal carbon steel
- 6 280-gal carbon steel
- 1 280-gal stainless steel
- 2 300-gal carbon steel
- 1 330-gal stainless steel
- 1 340-gal carbon steel
- I 345-gal stainless steel
- 3 375-gal carbon steel

PORTABLE SCALES

- 7 Detecto beam
- 4 Howe beam
- 2 Fairbanks beam
- 1 Ohaus DS-10 (electronic)
- 2 IQ Plus 390 (electronic)
- 1 Ohaus CD-11 (electronic)

OTHER

- 8 drum truck
- 5 drum cart
- 3 portable cart
- 1 40-foot extension ladder
- 2 12-foot step ladder
- 1 10-foot step ladder
- 1 6-foot step ladder
- 5 portable stair units
- 5 crimper for 5-gal pail lid
- 2 portable pump assembly
- 1 2-inch tape machine (electrical)
- 1 can capper assembly
- 6 mop buckets

SCHEDULE 1.01 (continued) TOOLS

- 50 (open end) wrenches
- 4 ratchet wrenches
- 100 sockets
- 30 pliers
 - 1 welder
 - 1 stand-up drill press
 - 1 3/8-inch electric drill
 - 1 1/2-inch electric drill
 - 1 3/8-inch cordless drill (14.4-volt battery)
 - 1 air cut-off tool
 - 1 air grinder
 - 1 electric grinder
 - 1 bench grinder
 - 1 7 1/4 inch rotary saw (Milwaukee)
 - 1 10-inch miter saw (Delta)
 - 1 snow blower
 - 1 Rigid 300 threader
 - 1 Rigid 460 tristand
 - 1 rotary hammer drill
 - 1 sawzall (reciprocating saw)
 - 1 rollaway tool box with top chest
- 30 screw drivers
- 30 steel punches
- 4 hammers
- 5 crow bars
- 50 allen wrenches
- 2 hydraulic jacks
- 1 8-inch vise (Wilson)
- 5 shovels
- 2 digging bars
- 3 wire cutters
- 1 bolt cutter

	7610000		,
INSTRUMENTS			
Equipment Description	Manufacturer Serial #	1 anation	Instrument ID
Equipment Description	ivianulacturer Senai #	Location	msa ument ic
#2 Zahn cup, Gardner EZ	27907	QC Lab	98
#3 Zahn cup, Gardner EZ	37988	QC Lab	9.
#4 Zahn cup, Gardner EZ	25616	QC Lab	110
#4 Ford cup, Gardner		QC Lab	114
Stormer Kreb Unit Viscometer	82217	QC Lab	115
scale, OHaus-Harvard (2000 gm)	39553	lower lab	123
scale, Metler PM6000 (6000 gm)		R&D Lab	129
scale, Thomas Sci (4000gm)		R&D Lab	135
spectrophotometer, CE7000A	37109701299	Color Lab	50
light booth, GretagMacBeth		Color Lab	
glossmeter, Byk-Gardner 4528	871870	QC Lab	502
resistivity meter, Ransburg	99290619	QC Lab	503
scale, A&D HR-120 (120 gm)	12203662	QC Lab	505
scale, OHaus AR5120 (500 gm)	D2011218160279	QC Lab	506
scale, OHaus Navigat (4000 gm)	027708103	QC Lab	507
thermometer, Weston (0-220 F)	100.00	QC Lab	531
thermometer, Weston (0-220 F)		QC Lab	532
pH meter, Orion 410A	063788	QC Lab	533
scale, Thomas Sci (4000gm)	1489535	R&D Lab	534
Brookfield Viscometer	E3940	QC Lab	535
glass cuvettes for spectrophotometer - total of 2	20040	Quality Manager	
calibration standard for gloss measurement	 	Quality Manager	
grind gage	 	QC Lab	
drawdown bars, fixed gap - total of 4 bars	 	QC Lab	
drawdown bars, wire-wound rod - set of 10		QC Lab	
stopwatch	 	QC Lab	
Lindberg/BlueM oven, M01430A-1	T12K-487321-TK	QC Lab	
Lindberg/BlueM oven, M01430A-1	U11K-490322-UK	QC Lab	
Lindberg/BlueM oven, M01430A-1	U05K-489672-UK	QC Lab	
timers (pyramid shape) - total of 3	00010-409012-010	QC Lab	
storage rack for retained panels		QC Lab	
30X pocket microscope		QC Lab	
air mixers - total of 6 mixers		mixing room	· · · · · · · · · · · · · · · · · · ·
#2 Zahn cup, Gardner EZ	29059	R&D Lab	99
#3 Zahn cup, Gardner EZ	37758	R&D Lab	92
Stormer Kreb Unit Viscometer	49254	R&D Lab	119
glossmeter, Mallinckrodt 4020	843464	Color Lab	147
thickness gage, Elektro-Physik FN252	86270	Color Lab	152
grind gage	100270		102
drawdown bars, fixed gap - total of 3 bars	 	R&D Lab	
		R&D Lab	
drawdown bars, wire-wound rod - set of 10		R&D Lab	
Leneta drawdown sag bar - set of 2	0)/ 40054	R&D Lab	
Lindberg/BlueM oven, OV-510A-3	OV-10854	R&D Lab	
Heraeus oven, T-5050-E	<u> </u>	R&D Lab	· · · · · · · · · · · · · · · · · · ·
30X pocket microscope		R&D Lab	

Schedule 1:01 (Conknied)

					СОМРИ	TER/PHONE EQU	PIMENT		
									
		processor		hard		FASTNET	USLEC		other
user	mfg	(note 2)	RAM	drive	Op sys	e-mail address	e-mail address	printer	peripherals
	<u> </u>								
server	Compaq		512 mb	20 gb	NT 4.0				UPS-700
									IBM 8228 hub
			<u> </u>						Cisco 2500 route
Ben	Dell	P-III @ 650 mhz	128 mb	10 gb	Win ME	bbrskmn@fast.net			
Helen				6.3gb	Win 98		hsullivan@sentrypaint.com	Epson 777	
Craig	generic	P-III @ 450 mhz	128 mb	12.6gb	Win 98		cbrosi@sentrypaint.com	Epson 777	
Paul	generic	P-III @ 550 mhz	128 mb	12.0 gb	Win 98		pgailey@sentrypaint.com	•	HP scanner
purchasing	generic	P-III @ 550 mhz	128 mb	12.0 gb	Win 98		purchasing@sentrypaint.com	HP 1100	
Jim_C	generic	P-IV@1.6 ghz	256 mb	40 gb	Win 98		jcarlisle@sentrypaint.com	Lexmark E-2332	
Jim_S	generic	P-II @ 233 mhz		16 gb	Win 98		jschonewolf@sentrypaint.com		
Color Lab	generic	P-III @ 450 mhz	128 mb		Win 98		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	Epson 777	
Jim_B			256 mb		Win 98		jbercaw@sentrypaint.com		
Tony	generic	P-IV@1.6 ghz	256 mb	40 gb	Win 98			HP 612C	
Cathy	Dell	P-III	128 mb	9.5 gb	Win 98		accounting@sentrypaint.com		UPS-700
								Epson LQ-570	
400/36	IBM	AS400/adv36			000				
+00/36	IBIVI	A5400/adv36			SSP			IBM 4230	UPS-700
	-							IBM 5262	IBM 3476
ohone	Telrad								UPS-1000
	(note 1)								
note 1: inve	entory of Te	Irad telephone se	ets						
		17 display (mod	el #520 d	or equival	ent)				
	 	6 no-display (n				 		_ 	
	 	1 "operator"							
-,-,	 	2 "executive"							-
		1 explosion-pro	oof					·	
	 								
ote 2: eac	h processor	r has a CRT, keyl	ooard. &	mouse. e	xcept for	the 400/36 & the of	none computer which have onl	v a CRT & keyboar	rd .

SCHEDULE 1.02

Sentry Paint Inventory Purchased

	Raw Materials	 ·
	Solvents	\$ 15,706.28
	Resins	27,987.82
	GOP	26,497.22
	Additives	47,417.36
	Pigments	35,671.40
	Containers	7,181.94
	Tint Bases	2,770.65
Total		\$ 163,232.67

SCHEDULE 1.04 CONTRACTS

ASSUMED CONTRACTS

1. Citicapital - forklift lease (111-0120089-000)

This contract covers a "lease-to-buy" agreement for two (riding) Yale forklifts and one (walk-behind) Yale pallet jack.

contract signed: 10-Oct-2000 service initiation: 10-Oct-2000

term commitment expiration: 01-Oct-2004

2. USLEC - landline telecommunications service (107405)

contract signed: 22-Mar-2001 service initiation: 16-Aug-2001

term commitment expiration: 16-Aug-2003

This contract provides local, regional, intra-state long distance, inter-state long distance, "800" toll-free inbound, internet access, and e-mail service using T1 equipment supplied by USLEC.

3. IKON Office Solutions - copier (H05043)

This contract covers rental of a Ricoh FT5832 copier.

4. Leases described on Schedule 1.05, Items 3 and 4.

Purchaser is assuming the obligations of Seller under each Assumed Contract listed above, and the parties acknowledge the contracts themselves will not be assigned, but Seller shall provide the benefits of each such contract to Purchaser, to the extent reasonably possible.

SCHEDULE 1.04 (continued)

EXCLUDED CONTRACTS

1. Citicapital - trailer rental (03000609). This contract covers the rental of one trailer.

contract signed: 18-Jun-2001 service initiation: 20-Jun-2001

term commitment expiration: 20-Jun-2004

2. Verizon - wireless telecommunications service (000510310-00001)

This contract provides service for 4 cellular phones. The obligations for three (3) of the phones will not be assumed.

3. ADT Security Services - alarm system (010 604 S 07253)

This contract provides monitoring and routine maintenance for the fire alarm and security alarm systems.

4. Keystone Fire Protection - fire protection systems (SENT01)

This contract provides periodic inspection of fire extinguishing equipment, including the sprinkler systems and portable fire extinguishers. Some equipment (eg, mixing stations) is inspected semi-annually. Some equipment (eg, fire extinguishers) is inspected annually. The contract also provides annual employee training in the use of fire extinguishers.

5. H&H Heating & Air Conditioning - HVAC maintenance service (401320)

This contract covers annual inspection and routine maintenance for the various heating and air conditioning systems in the plant, labs, and offices.

6. Terminex - pest control service (002833-6)

This contract provides quarterly pest control inspection and treatment.

7. Thompson & Son Landscaping - lawn service

This contract covers seasonal grass mowing & weed trimming.

8. H Rich, Inc - snow removal

This contract covers snow plowing, on an as-needed basis, for the front parking lot, the back parking lot, and sidewalks adjacent to Mill street.

Note: Under the Lease Agreement Buyer shall be responsible for its allocable share of items 2 through 7 above.

SCHEDULE 1.04 (continued)

OTHER CONTRACTS

DecisionOne - computer maintenance (0066257) - Contract will be cancelled by May 1, 2003

This contract provides prepaid hardware support (within 4 hours) for IBM equipment, including the AS400 advanced 36 mini-computer and the 4230 line printer. Regular support will continue to be available, but the prepaid support will be terminated.

Schedule 1.05

VEHICLES BEING TRANSFERRED TO BUYER

1. 1994 Ford pick-up truck - owned

vehicle identification number: 1FTHF25H2RNA82843

2. 1989 Ford truck tractor - owned

vehicle identification number: 1FDYY95W5KVA21943

- 3. 2001 BMW (Ben Breskman's car) leased vehicle identification number: WBADT434216X23238
- 4. Bud Trailer VIN#191630M owned
- 5. Streamline Trailer VIN#2202986 owned

Purchaser is assuming the obligations of Seller under the vehicle lease listed above, and the parties acknowledge the lease itself will not be assigned, but Seller shall provide the benefits of such lease to Purchaser.

Licenses & Permits

None

Schedule 2

Excluded Assets

Accounts receivable accrued prior to February 3, 2003

Seller's ownership interest in Atomized Powder Coatings, LLC, an Indiana limited liability company

The annuity payable to Seller by Wabash Products Company

Manufacturing equipment of Seller not listed in Schedule 1.01

Cash and cash equivalents

Interests in real estate other than the interest transferred to Purchaser by the Lease

Defined benefit pension plans maintained by Seller

Schedule 3



Liabilities accruing after the date hereof under the Assumed Contracts.

SCHEDULE 4.01

Sentry Paint Raw Material Inventory

		As of			Raw Material	
	<u>Fe</u>	bruary 3, 2003	_	April 30, 2003	_	Consumption
Solvents	\$	26,538.94	\$	21,790.26	\$	4,748.68
Resins		77,214.47		80,065.91		(2,851.44)
GOP		50,124.82		33,270.30		16,854.52
Additives		122,970.87		98,103.61		24,867.26
Pigments		74,324.10		45,735.22		28,588.88
Containers		7,181.94		7,181.94		0.00
Tint Bases		12,127.30	_	12,127.30	_	0.00
Total	\$	370,482.44	\$_	298,274.54	\$_	72,207.90

Schedule 7.03

LIENS

UCC filed by Associates Commercial Corp. covering 1 Yale Walkie, 1 Yale Electric Forklift, 1 Yale Electric Forklift, with 2 batteries and 2 chargers, Filing no. 3320152, Pennsylvania Department of State

Liens to be released immediately after closing filed by Progress Bank

Schedule 7.05

Claims

- 1. Sentry Paint Technologies, Inc. v. New Holland North America, Inc. Court of Common Pleas of Delaware County, Pennsylvania. Civil Action Law Number 01-16599. This is a claim by Sentry Paint for breach of contract, and a counterclaim by New Holland for reimbursement for alleged defective product. This matter is scheduled for trial in June, 2003.
- 2. James Schonewolf v. Sentry Paint Technologies, Inc. Court of Common Pleas of Delaware County, Pennsylvania. Civil Action Law Number 02-52708. This is an action by a former employee for breach of contract. The amount at issue is less than \$15,000. Arbitration is scheduled for September, 2003.

Schedule 7.06

Environmental

Permits:

1. Pennsylvania Department of Environmental Protection - Storm Water Discharge Permit

NPDES permit number PAR150010 was approved on 07-Jul-2000. This permit covers the discharge of storm water to Darby Creek.

2. Pennsylvania Department of Environmental Protection - Natural Minor Operating Permit

Application for a Natural Minor Operating Permit (NMOP) was submitted on 11-Sep-2001. Permit number NMOP-23-00019 is still pending as of 31-Mar-2003.

Operation of Business:

Paint and allied products manufacturing plant (SIC 2851)

Tanks:

Above-ground tanks for paint and raw materials - empty and not being used

Flood:

In September, 2003 there was a flood in the area where Sentry Paint's business is located. There was damage inside the buildings, and cleanup was performed. No evidence of release of hazardous substances outside the buildings was found.

Exhibit 10(c) EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement") is made and entered into as of May 1, 2003 by and between SHEBOYGAN PAINT COMPANY, a Wisconsin corporation, (the "Company"), BEN BRESKMAN ("Employee"), and solely with respect to section 4(d), INLAND REALTY, INC. ("Inland") and SHEBOYGAN PAINT COMPANY OF CEDARTOWN, GEORGIA ("Cedartown").

RECITALS

- A. Employee is President of Sentry Paint Technologies, Inc. ("Sentry"). Sentry and the Company have entered into an Asset Purchase Agreement dated as the date of this Agreement, whereby Sentry sold to the Company certain assets of Sentry.
- B. In connection with the Asset Purchase Agreement, and pursuant to section 11(j) of the Asset Purchase Agreement, the Company desires to employ Employee, and Employee desires to be employed by the Company, on the terms and subject to the conditions of this Agreement.
- C. The Company is under common control with Inland Realty and Cedartown.

AGREEMENTS

In consideration of the recitals and mutual agreements contained herein, the parties agree as follows:

- 1. <u>Employment</u>. The Company hereby employs Employee, and Employee hereby accepts employment with the Company, on the terms and subject to the conditions of this Agreement.
- 2. Employment Duties. Employee shall be employed in the position of Vice President of the Company. Employee shall be responsible for the performance of all duties and responsibilities customarily attendant to the position of Vice President and such other reasonable duties and responsibilities as may be assigned from time to time by the Company's President or Board of Directors (collectively, the "Employment Duties"). During Employee's employment hereunder, Employee shall: (a) devote his full business time, loyalty and efforts to the discharge of the Employment Duties and Employee's other responsibilities

hereunder on a timely basis; (b) use his best efforts to loyally and diligently serve the business and affairs of the Company; and (c) endeavor in all respects to promote the Company's interests in all matters.

3. <u>Term</u>. Unless terminated earlier pursuant to section 5 hereof, the Employee's employment under this Agreement shall commence on the date hereof and continue for a period of four (4) years thereafter (such period of employment the "Term").

4. Compensation; Fringe Benefits.

- (a) <u>Base Salary</u>. In consideration of the performance by Employee of the Employment Duties during the Term, Employee shall receive a base salary of \$10,000 per month, subject to required withholding and taxes, payable in accordance with the customary payroll practices of the Company (the "Base Salary").
- (b) Fringe Benefits; Business Expenses. Employee shall be entitled to receive such fringe benefits as are generally made available to employees of the Company from time to time. The Company shall reimburse Employee for the Employee's reasonable expenses incurred in the performance of Employee's duties hereunder in accordance with such reimbursement policy or policies promulgated by the Company from time to time.
- Eligibility for Cash Bonuses. Subject to section 5(d), in the event the "Sales to Sentry Customers Goal" is met with respect to a Period described in the table below, the Company shall pay to the Employee the Cash Bonus described in the table below for such Period, within one hundred twenty (120) days after the end of such Period. The Company shall have the sole discretion as to the selection of its customers and customer pricing. The Company shall have the right to approve any sales agreements negotiated by Employee, in its sole discretion. For purposes of this Agreement, "Sales to Sentry Customers" shall mean the Company's collected gross sales to Sentry Customers, less allowances, sales taxes, credits, returns, refunds, shipping, and rebates, and less commissions payable to Gunite and Petroleum Service Company. For purposes of this Agreement, "Sentry Customers" shall mean customers of the Company which were customers of Sentry during the one-year period ending February 3, 2003, and customers new to the Company brought to Company by Employee, Bruce Heffner, Jerry Hurlbrink, Donald Patton, Neil Gartenberg, Petroleum Service Company, and Carl Scibetta (together, the "Sales Representatives"), but not sales to such customers which are the result of relationships established by the Company other than through the Sales Representatives.

Period	Sales to Sentry Customers Goal	Cash Bonus
From second anniversary of Closing until third anniversary of Closing	\$4,000,000	\$15,000
From third anniversary of Closing until fourth anniversary of Closing	\$4,500,000	\$30,000

the "Sales to Sentry Customers Goal" is met with respect to a period described in the table below, the Company, Inland, or Cedartown, as applicable, shall cause to be issued to the Employee an option to purchase the number of shares of stock corresponding to the percentages of stock ownership described in the "Incentive Compensation" column in the table below, calculated on a fully diluted basis as of the date of issuance of such option. The Stock Option Agreement evidencing such option shall be substantially in the form attached hereto as Exhibit 4(d), but may include such changes as the issuer thereof may reasonably deem necessary in the event of change(s) in the laws or regulations governing the issuance and tax treatment of such options.

Period	Sales to Sentry Customers Goal	Incentive compensation
From the date hereof until the first anniversary of Closing	\$3,000,000	Options for 2.2% of Inland Realty
From the first anniversary of Closing until the second anniversary of Closing	\$3,500,000	Options for 2.9% of Sheboygan Paint Company
From the second anniversary of Closing until the third anniversary of Closing	\$4,000,000	Options for 1% of Cedartown
From the third anniversary of Closing until the fourth anniversary of Closing	\$4,500,000	Options for 1% of Cedartown

5. Termination.

(a) Termination By the Company. The Company may terminate Employee's employment by notice to Employee (i) for Cause, (ii) at any time after the first anniversary of this Agreement if Sales to Sentry Customers during the twelve month period prior to such termination are less than \$1,500,000, (iii) if Sentry is the subject of a petition in bankruptcy (voluntary or involuntary) which is not dismissed or stayed within 60 days, or if a receiver is appointed with respect to Sentry, (iv) due to the Disability of Employee, or (v) without Cause.

"Cause" as used herein means the occurrence of any of the following events:

- (1) Employee is convicted of a felony;
- (2) Employee commits an act which constitutes, or omits to commit an act that would constitute, breach of Employee's fiduciary duties to the Company or an affiliate of the Company, or willful and material malfeasance or gross negligence in the performance of duties on behalf of the Company or an affiliate;
 - (3) Employee breaches this Agreement;
 - (4) Employee commits a willful act of material fraud;
- (5) Employee uses illegal drugs, or Employee is impaired by alcohol while working.

Employee shall be deemed to have a "Disability" for purposes of this Agreement if he has a mental or physical condition which entitles Employee to benefits under the long-term disability plan (including any insurance policy) of the Company. If there is no such plan or if Employee is an employee but not covered by such plan, then "Disability" shall mean a mental or physical condition which renders Employee incapable of performing the services required of him as an employee of the Company and which does or may be expected to continue for more than six (6) months during any twelve (12) month period. Such determination shall be made by one or more physicians appointed by the plan administrator, or in the absence of a plan administrator, the Company's President, on the basis of such medical and other competent evidence as the plan administrator or the President shall deem relevant. A disability shall not be deemed a "Disability" under this Agreement if it is the result of (a) a willfully self-

inflicted injury or willfully self-induced sickness; or (b) an injury or disease contracted, suffered or incurred while participating in a criminal offense.

- (b) <u>Termination by Employee</u>. Employee may terminate his employment hereunder, upon thirty (30) days' notice to the Company.
- (c) <u>Termination Upon Death of Employee</u>. In the event of the Employee's death during the Term, this Agreement shall immediately terminate.

(d) Effect of Termination.

- (i) Upon termination of Employee's employment hereunder for any reason other than under sections 5(a)(iv), 5(a)(v) or 5(c), Company shall have no further obligation to Employee except to pay Employee any accrued but unpaid Base Salary subject to required taxes and withholding.
- (ii) If the Company terminates Employee's Employment hereunder pursuant to section 5(a)(v), the Company shall continue to pay the Employee's Base Salary until the fourth (4th) anniversary hereof, subject to customary or required withholdings and deductions, and shall pay to employee when due any Cash Bonus or Incentive Compensation accrued with respect to any Period through the fourth (4th) anniversary hereof under sections 4(c) or 4(d) hereof.
- (iii) Upon the Employee's termination due to death, or pursuant to section 5(a)(iv), the Company shall pay to Employee or Employee's estate [a] the Employee's Base Salary through the date of termination, [b] when due, any Cash Bonus or Incentive Compensation accrued but not yet paid under sections 4(c) or 4(d) with respect to any Period completed hereunder, and [c] when due, a prorated portion of any Cash Bonus or Incentive Compensation accrued with respect to any partial Period completed under sections 4(c) or 4(d), but only if the Company met the Sales to Sentry Customers Goal with respect to such Period multiplied by a fraction, the numerator of which is the number of days in such Period during which Employee was employed hereunder, and the denominator of which is 365, and the Company shall have no other obligation to Employee hereunder.
- 6. <u>Noncompetition and Nonsolicitation</u>. The Employee acknowledges and agrees that the contacts and relationships of the Company with its customers, suppliers, licensors and other business relations are, and have been, established and maintained at great expense and provide the Company with a substantial competitive advantage in conducting its business. The Employee acknowledges and agrees that by virtue of the Employee's employment with the Company, the

Employee will have unique and extensive exposure to and personal contact with the Company's customers, suppliers, licensors and other business relations, and that he will be able to establish a unique relationship with those customers, suppliers, licensors and other business relations that will enable him, both during and after employment, to unfairly compete with the Company. Furthermore, the Employee agrees that the terms and conditions of the following restrictive covenants are reasonable and necessary for the protection of the business, trade secrets and Confidential Information (as defined in section 7 below) of the Company and to prevent great damage or loss to the Company. The Employee acknowledges and agrees that the noncompete and nonsolicitation restrictions, and nondisclosure of Confidential Information restrictions contained in this Agreement are reasonable and the consideration provided for herein is sufficient to fully and adequately compensate the Employee for agreeing to such restrictions.

- (a) Noncompetition. The Employee hereby covenants and agrees that during the Term, he shall not, directly or indirectly, either individually or as an employee, principal, agent, partner, shareholder, owner, trustee, beneficiary, co-venturer, distributor, consultant, representative or in any other capacity, participate in, become associated with, provide assistance to, engage in or have a financial or other interest in any business, activity or enterprise which is a competitor of the Company; provided, however, that Employee's ownership interest in Sentry Paint Technologies, Inc. and Employee's indirect ownership of, and services as Managing Member of, Atomized Powder Coatings, LLC shall not be deemed to violate this section 7(a). The ownership of less than a two percent (2%) interest in a corporation whose shares are traded in a recognized stock exchange or traded in the over-the-counter market, even though that corporation may be a competitor of the Company, shall not be deemed financial participation in a competitor.
- (b) <u>Nonsolicitation</u>. The Employee hereby covenants and agrees that following the termination of Employee's employment hereunder for a period equal to the shorter of 730 days or the duration of Employee's employment hereunder (the "Noncompete Period"), he shall not, directly or indirectly, either individually or as an employee, agent, partner, shareholder, owner, trustee, beneficiary, co-venturer, distributor, consultant or in any other capacity:
- (i) canvass, solicit or service any customer of the Company with which Employee had contact in connection with Employee's employment duties within two (2) years preceding the date of the termination of Employee's employment hereunder (a "Covered Customer") with respect to products or services which are competitive with those of the Company; or

(ii) advise, request, induce or attempt to induce any Covered Customer to withdraw, curtail or cancel any of its business or relations with the Company.

7. Confidential Information.

- (a) The Employee acknowledges and agrees that the customers, business connections, customer lists (including Sentry Customers), procedures, operations, techniques, and other aspects of and information about the business of the Company (the "Confidential Information") are the property of the Company, and are established at great expense and protected as confidential information and provide the Company with a substantial competitive advantage in conducting its business. The Employee further acknowledges and agrees that by virtue of his employment with the Company, he has had access to and will have access to, and has been entrusted with and will be entrusted with, Confidential Information, and that the Company would suffer great loss and injury if the Employee would disclose this information or use it in a manner not specifically authorized by the Company. Therefore, the Employee agrees that during the Term and for three (3) years thereafter, he will not, directly or indirectly, either individually or as an employee, agent, partner, shareholder, owner, trustee, beneficiary, co-venturer, distributor, consultant or in any other capacity, use or disclose or cause to be used or disclosed any Confidential Information in any geographic area in which the disclosure of such information could harm the Company's business, unless and to the extent that any such information become generally known to and available for use by the public other than as a result of the Employee's acts or omissions. The Employee shall deliver to the Company at the termination of the Term, or at any other time the Company may request, all physical copies of, and shall destroy all digital copies of, memoranda, notes, plans, records, reports, and other documents and data (and copies thereof) relating to the Confidential Information, work product or the business of the Company which he may then possess or have under his control. The foregoing shall not prevent the Employee from disclosing information which is generally known to the public or which is required by a court order to be disclosed.
- (b) Employee agrees that every improvement, invention, process, technique, apparatus, method, manufacturing system, computer program, board design, software, design, copyrightable work (including papers and articles) or other creation that Employee may invent, discover, conceive, develop or originate, alone or in conjunction with any other person, that relates in any respect to the business of the Company now or hereafter carried on by it shall be the exclusive property of the Company. Employee understands and agrees that in exchange for the consideration described above and in partial consideration of Employee's continued employment, all such developments, inventions,

improvements, products, processes, apparatuses, techniques, methods, designs, software, board designs, computer programs, copyrightable works and other creations shall be the sole and exclusive property of the Company. If Employee shall fail to make or refuse to make an assignment to the Company of any such development, invention, improvement, product, process, apparatus, technique, method, software, board design, computer program, design, copyrightable work or other creation, the Company shall have the authority, and this Agreement shall operate to give the Company authority to execute, seal and deliver, as the act of Employee, any license agreement, contract, assignment or other instrument in writing that may be necessary or proper to convey to the Company the entire right, title and interest in and to such invention or development. Employee hereby agrees to hold the Company and its assigns harmless with respect to any of the Corporation's acts pursuant to this section. Employee further agrees that, during the term of this Agreement and at any time thereafter whenever reasonably necessary for the protection of the Company, Employee shall cooperate with the Company and its counsel in the prosecution and/or defense of any litigation which may arise in connection with the inventions or other creations referred to above, without any liability or cost to Employee.

- 8. <u>Common Law of Torts and Trade Secrets</u>. Nothing in this Agreement shall be construed to limit or negate the statutory or common law of torts or trade secrets where it provides the Company and its affiliates with broader protection than that provided herein.
- 9. <u>Governing Law; Construction</u>. This Agreement shall be governed by and construed in accordance with the laws of the State of Wisconsin (regardless of such state's conflict of laws principles), and without reference to any rules of construction regarding the party responsible for drafting thereof.
- 10. <u>Waiver</u>. The failure of any party to insist, in any one or more instances, upon performance of any of the terms or conditions of this Agreement, shall not be construed as a waiver or a relinquishment of any right granted hereunder for the future performance of any such term, covenant or condition.
- or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions of this Agreement or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction. If the final judgment of a court of competent jurisdiction declares that any term or provision of this Agreement is invalid or unenforceable, the parties hereto agree that the court making the determination of invalidity or unenforceability shall have the power to reduce the scope, duration or area of the term or provision, to delete specific words or phrases or to replace any

invalid or unenforceable term or provision with a term or provision that is valid or enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, and this Agreement shall be enforceable as so modified after the expiration of the time within which the judgment may be appealed.

- 12. <u>Amendment</u>. This Agreement may be amended only by an agreement in writing executed by each of the parties hereto.
- 13. <u>Notice</u>. Any notice or request given hereunder shall be deemed given and received if addressed in writing and sent via U.S. mail, first class mail, registered or certified mail, or if delivered by overnight courier or facsimile transmission, if to Company, to:

Sheboygan Paint Company 1439 North 25th Street Sheboygan, WI 53082-0417

Fax: 920-458-5620

Attn: Brock Brownrigg

With a copy to:

Reinhart Boerner Van Deuren s.c. 1000 North Water Street, Suite 2100 Milwaukee, WI 53202 Fax: 414-298-8097

Attn: Robert Dallman

If to Employee, to:

Benjamin Breskman 517 Hillbrook Road Byrn Mawr, PA 19010 fax:

With a copy to:

Dilworth Paxson LLP 3200 Mellon Bank Center 1735 Market Street Philadelphia, PA 19103 Fax: (215) 575-7200

Attn: Ms. Barbara Ilsen

- 14. Benefit; Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors, permitted assigns and beneficiaries in interest; provided, however, that Employee may not assign this Agreement without the prior written consent of the Company. This Agreement may be assigned by the Company only in connection with the sale or transfer of all or a substantial portion of the Company's business, and then only if the assignee is the buyer or transferee and the assignee agrees to bound by the provisions of this Agreement.
- 15. Entire Agreement. This Agreement represents the full and complete understanding of the parties and supercedes and preempts any prior understandings or agreements among the parties with respect to the subject matter hereof.
- 16. <u>Headings</u>. All section headings herein are inserted for convenience only and shall not modify or affect the construction or interpretation of any provision of this Agreement.
- 17. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but both of which taken together shall constitute one and the same instrument.
- 18. <u>Survival</u>. The provisions of sections 6 and 7 shall survive the expiration or termination of this Agreement.

(signatures on next page)

Dated as of the date first above written.

EMPLOYEE:
Ben Breskman
COMPANY
SHEBOYGAN PAINT COMPANY
BYBrock Brownrigg, President
INLAND (solely with respect to section 4(d))
INLAND REALTY, INC.
BYBrock Brownrigg, President
CEDARTOWN (solely with respect to section 4(d))
SHEBOYGAN PAINT COMPANY OF CEDARTOWN, GEORGIA
BYBrock Brownrigg, President

EXHIBIT 4(d)

FORM OF OPTION AGREEMENT

THIS OPTION AGREEMENT ("Agreement") is entered into as of the day of, 200 by and between, a (the "Company"), and BEN BRESKMAN ("Employee").
RECITALS
A. Employee is an employee of the Company pursuant to that certain Employment Agreement dated May 1, 2003 by and between Employee and the Company (the "Employment Agreement").
B. To encourage and motivate the Employee, and to comply with Section 4(b) of the Employment Agreement, the Company wishes to issue to Employee an option to purchase shares of the Company's common stock, in accordance with the terms and conditions of this Agreement.
AGREEMENTS
The Employee and the Company agree as follows:
1. <u>Grant of Option</u> . The Company grants to the Employee the right and option (the "Option") to purchase all or any part of up to () shares of the Company's common stock (the "Shares") on the terms and conditions set forth below.
2. <u>Purchase Price</u> . The purchase price of the Shares shall be one cent (\$.01) per Share.
3. <u>Vesting</u> . Unless the Option is otherwise terminated as provided in this Agreement, Employee may exercise the Option after the third anniversary of the date hereof.
4. Period of Exercise. The Option will expire and be of no further force and effect on the earlier of (a) the tenth (10 th) anniversary of the date hereof or (b) immediately upon termination of Employee's employment under the Employment Agreement, if such employment is terminated for Cause (as defined in the Employment Agreement) or is terminated by the Employee.

- 5. <u>Transferability</u>. The Option is not transferable except by will or the laws of descent and distribution and may be exercised during the lifetime of the Employee only by the Employee.
- 6. Method of Exercise. The Option may be exercised, subject to the terms and conditions of this Agreement, by written notice to the Company accompanied by payment in full to the Company of the purchase price of the Shares.
- 7. Withholding. In any case where withholding is required or advisable under federal, state or local law in connection with any exercise by the Employee or hereunder, the Company is authorized to withhold appropriate amounts payable to the Employee, or may require the Employee to remit to the Company an amount equal to such appropriate amounts.

8. Changes in Shares.

- (a) In the case of any consolidation or merger of the Company with another entity or any reorganization or reclassification of the Company's Shares or other equity securities of the Company, then, as a condition of such consolidation, merger, reorganization or reclassification, lawful and adequate provision shall be made whereby the Employee shall thereafter have the right to receive upon the basis and upon the terms and conditions specified herein and in lieu of the Shares immediately theretofore purchasable hereunder, such shares of stock, securities, cash or other property as may be (by virtue of such consolidation, merger, reorganization or reclassification) issued or payable with respect to or in exchange for a number of outstanding Shares equal to the number of Shares immediately theretofore so purchasable hereunder had such consolidation, merger, reorganization or reclassification not taken place, net of the aggregate exercise price of the Option, and in any such case appropriate provisions shall be made with respect to the rights and interests of the Employee to the end that the provisions of the Option shall thereafter be applicable, as nearly as may be, in relation to any shares of stock, securities or assets thereafter deliverable upon exercise of the Option.
- (b) In the event of any change in the outstanding shares of the Company by reason of a share dividend or split, recapitalization, reclassification or other similar change, except under circumstances when section 8(a) above is applicable, the number and kind of Shares and purchase price shall be proportionately and appropriately adjusted without any change in the aggregate purchase price to be paid upon exercise of the Option.
- 9. No Rights as an Equity Holder. This Agreement shall not entitle the Employee to any voting rights or other rights as an equity holder of the Company.

- herein, in no event shall Company be required to accept any exercise of the Option by the Employee, nor shall any Shares be required to be issued to Employee, unless Employee and Employee's spouse, if any, have executed and delivered a Shareholders Agreement with respect to the Company that is mutually agreeable to the parties and includes the following provisions: (a) Employee may not transfer his shares without first offering them to the Company and the other shareholders of the Company, (b) Employee shall have a put option to require the Company to purchase his shares at book value, payable in the form of a 5-year promissory note bearing a LIBOR interest rate with equal yearly payments of principal and interest, (c) Company and/or the other shareholders of the Company shall have a call option to purchase Employee's shares at book value in the event his employment is terminated, (d) Employee shall have a come-along right, and the Company and the other shareholders of the Company shall have a bring-along right, in the event of the sale of the Company and (e) such other provisions as the parties may agree.
- Continuance of Employment. Nothing contained in this Agreement shall confer upon the Employee any right to continue in the employ of the Company or interfere in any way with the rights of the Company, which are hereby expressly reserved, to reduce the Employee's compensation from the rate in existence on the date of this Agreement or to terminate the Employee's employment for any reason in accordance with the terms of the Employment Agreement.
- Application of Securities Laws. No Shares may be purchased pursuant to the Option unless and until any then applicable requirements of the Securities and Exchange Commission and any other regulatory agencies, including any state securities law commissioners having jurisdiction over the Company or such issuance, and any securities exchanges upon which the Shares may be listed, shall have been fully satisfied. The Employee represents, agrees and certifies that if the Employee exercises the Option in whole or in part at a time when there is not in effect under the Securities Act of 1933, as amended (the "Act"), both (a) a registration statement relating to the Shares issuable upon exercise and available for delivery to him or her, and (b) a prospectus meeting the requirements of Section 10(a)(13) of the Act (a "Prospectus"), then the Employee shall acquire the Shares issuable upon such exercise for the purpose of investment and not with a view to resale or distribution and that, as a condition to each such exercise, he or she shall furnish to the Company a written statement to such effect, satisfactory in form and substance to the Company.
- 13. Governing Law. This Agreement will be governed and interpreted and enforced in accordance with the laws of the State of Wisconsin, other than its choice of laws provisions.

14. Amendment; Entire Agreement. This Agreement may only be modified by a written instrument executed by the Employee and the Company. This Agreement sets forth the entire agreement of the Employee and the Company with respect to the subject matter hereof.

(signatures on next page)

	IN WITNESS WHEREOF,	the parties	have	executed	this A	Agreement	as	of t	he
date	first set forth above.	-							

	COMPANY	COMPANY			
	BY:				
ACCEPTED:					
Ben Breskman					

EXHIBIT 10(d)

[LEASE]

E

LEASE

Date:

April 30, 2003

Landlord:

Sentry Paint Technologies Inc.

Tenant:

Sheboygan Paint Company

- 1. BASIC TERMS. The following terms shall have the meaning set forth in this Section unless specifically modified by other provisions of this Lease:
 - Building: The building known as 237 Mill Street located in Darby, Pennsylvania, together with the land and other improvements and facilities appurtenant thereto.
 - 1.2 <u>Premises</u>: The 1st floor of the Building and the laboratory in the building as shown on the floor plan attached hereto as Exhibit A, which the parties agree constitutes 48% of the Building, and the surface parking depicted on Exhibit A.
 - 1.3 Common

Areas:

Those areas of the Building, including, but not limited to, any entranceways, vestibules, common hallways and stairs, restrooms, elevators, loading areas, parking areas (as depicted on Exhibit A), driveways, walks and landscaped areas.

1.4 <u>Term</u>: 1 year commencing on the Commencement Date and terminating on the Termination Date

1.5 Commencement

Date:

May 1, 2003

1.6 Termination

Date:

April 30, 2004

1.7 Annual

Rent:

The annual Rent shall be \$30,000.

- 1.9 <u>Permitted Use</u>: General commercial, including without limitation as a laboratory, warehouse, and related uses.
- 1.10 Landlord's Address

for Notices:

237 Mill Street

Darby, PA 19023

1.11 <u>Tenant's Address</u> for Notices:

C/O Sheboygan Paint Company 1439 N. 25th St., PO Box 417 Sheboygan, WI 53082-0417 Attn: Brock Brownrigg

1.12 Security Deposit: N/A

1.13 Guarantor(s): N/A

1.14 Exhibits: A

- 2. <u>DEMISE AND TERM</u>. Landlord leases the Premises to Tenant and Tenant leases the Premises described in Section 1.2 above from Landlord subject to the provisions of this Lease; provided, that any existing space in the Premises currently used for shafts, pipes, conduits, ducts, electrical or other utilities or Building facilities, as well as access thereto through the Premises for the purposes of installation, operation, maintenance, inspection, repair and replacement are reserved to Landlord and are excluded from the Premises. The Term of this Lease shall commence on the Commencement Date set forth in Section 1.5 and shall end on the Termination Date set forth in Section 1.6 unless extended or sooner terminated as provided herein.
- 3. <u>RENT</u>. Tenant agrees to pay to Landlord at Landlord's address set forth in Section 1.10 or such other place designated by Landlord, without prior demand or notice, the rent for the Premises consisting of Rent set forth in Section 3.1 and any other additional payments due from Tenant under this Lease.
- 3.1 Rent. The amount specified in Section 1.7 shall be payable in monthly installments in advance on the first day of each month during the Term. In the event the Term commences on other than the first day of a calendar month, the rent for such partial month shall be prorated based upon the actual number of days of the Term during such month. The parties hereto agree that unless otherwise expressly provided herein, the Rent payable under the terms of this Lease shall be free from any expense, charge, deduction, offset or counterclaim by reason of any obligation of Landlord or any other reason.

Tenant also agrees to pay to Landlord Tenant's pro rata share of the premium for the comprehensive general liability insurance required to be maintained by landlord pursuant to section 15, and Tenant's pro rata share of the reasonable cost of janitorial services, pest control, lawn and garden services, snow removal services, alarm company services and fire sprinkler services to the Premises during the Term of this Lease. Tenant's pro rata share shall be determined by multiplying the cost for such services by a fraction, the numerator of which is the total square footage of the Premises and the denominator of which is the total square footage of the Building. Landlord shall deliver to Tenant a copy of bills for such services within fifteen (15) days after Landlord's receipt of the same, and Tenant shall within fifteen (15) days thereafter pay Tenant's pro rata share of such bills to Landlord.

- 4. <u>USE</u>. The Premises shall be used only for the purpose set forth in Section 1.9 above and for no other purposes. Tenant expressly acknowledges that it shall be the sole responsibility of Tenant to secure all necessary and appropriate permits, licenses and approvals from all governmental authorities having jurisdiction for the use of the Premises as set forth herein resulting from Tenant's particular use and occupancy of the Premises, including, without limitation, any necessary occupancy permits.
- 5. <u>COMPLIANCE WITH LAWS</u>. Tenant shall comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now or hereafter in force. Landlord shall promptly comply with all laws, statutes, ordinance and governmental rules, regulations or requirements now or hereafter in force relating to or affecting the Building. Landlord hereby warrants that as of the Commencement Date, the Premises and the Common Areas will comply with all laws, orders, ordinances and regulations of federal, state, county and municipal authorities including, without limitation, to the extent applicable, the Americans With Disabilities Act of 1990, as amended.
- 6. ENVIRONMENTAL REQUIREMENTS. Landlord hereby warrants to Tenant that as of the Commencement Date, the Premises and the Common Areas will comply with all Environmental Laws. Landlord further warrants that it shall operate and maintain the Building and the Common Areas in compliance with all Environmental Laws throughout the term of the Lease. Landlord hereby agrees to indemnify and hold the Tenant harmless from any liability, claim or injury, including attorneys' fees and the cost of any required or necessary repair, cleanup, remediation or detoxification, arising out of (1) matters caused in whole or part prior to the "Commencement Date" (unless caused by Tenant) or (2) Landlord's failure to comply with any Environmental Laws relating to the Building unless expressly made the responsibility of Tenant in this Lease.
- 7. <u>COMMON AREAS</u>. Tenant and its employees, customers and invitees shall have the non-exclusive right to use, in common with Landlord and its respective employees, customers and invitees and all others to whom Landlord has or may hereafter grant rights to use the same, the Common Areas as may from time to time exist.
- 8. <u>PARKING</u>. Landlord shall make available to Tenant 6 surface parking spaces within the Common Areas as shown on the site plan attached hereto as Exhibit A. Such parking spaces will be available for the use of Tenant and its employees (whether located at the Premises or otherwise) and visitors on a 24-hour basis 365 days per year throughout the Term. There shall be no separate charge to Tenant for such parking. Tenant shall not permit vehicles to be abandoned or stored in the parking areas of the Building.
- 9. <u>REPAIRS</u>. Landlord shall maintain the Common Areas and the exterior walls, roof, foundation and all other structural components of the Building and the heating, ventilating, air conditioning, electrical, plumbing and mechanical systems in the Building. The cost of all of the foregoing shall be at Landlord's sole cost and expense. Except as otherwise set forth herein, Tenant shall, at its expense, keep the Premises and every part thereof, in good condition and repair, reasonable wear and tear excepted, and Tenant shall also be responsible for the entire cost of all repairs and replacements otherwise the responsibility of Landlord hereunder that are

required by reason of acts or negligence of Tenant, its agents, employees, customers or invitees, or the particular nature of Tenant's use of the Premises. Tenant shall be responsible for repairing any damage to the Building caused by the installation or moving of Tenant's furniture, equipment and personal property. Tenant shall, at its expense, also repair or replace with glass of equal quality any broken or cracked plate or other glass in doors, windows and elsewhere in or adjacent to the Premises in the event such glass was broken or cracked by Tenant or its employees, agents, contractors or visitors.

- 10. UTILITIES. Landlord shall furnish water, sanitary sewer, heating and air conditioning to the Premises, and the cost of such services shall be paid by Tenant. If such utilities are not separately metered for the Premises, then Tenant shall pay to Landlord Tenant's pro-rata share of the cost of such utilities. Tenant's pro-rata share shall be determined by multiplying Landlord's total cost for such utilities by a fraction, the numerator of which is the total square footage of the Premises and the denominator of which is the total square footage of the Building. Landlord shall deliver Tenant a copy of the bills for such utilities within 15 days after Landlord's receipt of the same, and Tenant shall within 15 days thereafter pay Tenant's pro-rata share of such bills to Landlord. Heating and air conditioning service shall be provided 24 hours a day, 365 days a year. The warehouse portion of the Premises shall be maintained at a temperature of 70°F, plus or minus 20°F, depending on the season, and the office and laboratory portions of the Premises shall be maintained at a temperature of 70°F, plus or minus 10°F, depending on the season. Tenant shall be solely responsible for the cost of any additional utility services desired by Tenant, including without limitation, heating and air conditioning services at any times other than the hours described in this section, which services shall be provided at standard rates and fees charged by the utilities to their customers.
- ALTERATIONS. Tenant shall not make any alterations, additions or improvements 11. ("Alteration") in, on or to the Premises or any part thereof without delivering to Landlord the plans and specifications therefor and obtaining the prior written consent of Landlord. Landlord's consent to an Alteration may be granted or withheld in its reasonable discretion or may be made contingent upon Tenant agreeing to such reasonable conditions relating thereto as Landlord may impose. Any Alteration shall be made at Tenant's own cost and expense and in a good and workmanlike manner in accordance with the laws, ordinances and codes relating thereto and free from any claim or claims for construction liens, and Tenant shall indemnify and hold Landlord harmless from and against any and all claims, liens, costs and expenses on account of such work. Upon completion of any Alteration, Tenant shall provide Landlord with a copy of the as-built plans and blueprints for the same. If Landlord does not respond to a written request for any Alteration within 15 business days following delivery of such request, Landlord shall be deemed to have approved such request. A purely decorative modification to the Premises (such as wall painting, wallpapering and wall hangings) or any modification to the Premises that costs \$25,000 or less (unless such modification affects a structural component of the Building or affects an electrical, mechanical, HVAC, plumbing or other system) shall not be deemed to be an Alteration requiring Landlord's consent under this Section.
- 12. <u>SIGNS</u>. Tenant shall not install, affix or place any sign or other advertising or identifying media upon the exterior of the Premises or the Building or upon the interior or exterior of the windows of the Premises without first obtaining the written consent of Landlord in each instance,

which consent shall not be unreasonably withheld or delayed. All signage shall also comply with all local, federal and state laws or ordinances.

13. <u>LIENS</u>. Tenant shall not create or permit any liens under any construction lien law or similar law to be filed or recorded against the Premises or against the interest of Landlord or Tenant therein. If any such lien is filed or recorded, Tenant shall immediately cause such lien to be fully bonded or discharged of record within 30 days following Tenant's actual knowledge of such lien. Tenant shall have the right to contest any lien, but shall indemnify Landlord with respect to such matters, if it so contests.

Landlord shall not create or permit any liens under any construction lien law or similar law to be filed or recorded against the Premises or against the interest of Landlord or Tenant therein (or any of Tenant's property). If any such lien is filed or recorded, Landlord shall immediately cause such lien to be fully bonded or discharged of record within 30 days following Landlord's actual knowledge of such lien. Landlord shall have the right to contest any lien, but shall indemnify Tenant with respect to such matters, if it so contests.

- 14. RIGHT OF ENTRY. Landlord and its agents shall at all times have the right, upon reasonable (at least 48 hours) advance notice (except in the case of emergency, where no notice shall be required), to enter the Premises to inspect the condition thereof, to supply any service to be provided by Landlord to Tenant hereunder, to show the Premises (during the last year of the Term of the Lease), and to alter, improve, or repair the Premises and any portion of the Building in a manner that does not materially impair Tenant's use or occupancy of the Premises.
- INSURANCE. Landlord shall obtain and carry at all times during the Term of this Lease 15. (a) hazard insurance covering the Building in an amount equal to the full insurable value of the Building determined on a replacement cost basis, and (b) commercial general liability insurance, including contractual liability coverage for the indemnification obligations of Landlord contained in this Lease, and covering injury of or death of persons and damage to property in an amount not less than \$1,000,000.00 combined single limit per occurrence/\$2,000,000.00/annual aggregate (or such higher amounts as Landlord shall from time to time determine), each in form, content and amount reasonably satisfactory to Tenant, and shall provide to Tenant certificate evidencing such coverage. Evidence of such insurance shall be furnished to Tenant prior to the Commencement Date and prior to any renewal date and at such other times as may be reasonably be requested by Tenant. Such policy shall be written by an insurance company or companies reasonably satisfactory to Tenant, on an occurrence basis, and shall contain a clause that the insurer will not cancel or change the insurance coverage without at least ten (10) days prior written notice to Tenant. Tenant shall, at its expense, obtain and carry at all times during the Term of this Lease (a) commercial general liability insurance, including contractual liability coverage for the indemnification obligations of Tenant contained in this Lease, covering injury of or death of persons and damage to property in an amount not less than \$1,000,000.00 combined single limit per occurrence/\$2,000,000.00 annual aggregate (or such higher amounts as Tenant shall from time to time reasonably determine) and (b) property damage insurance with extended coverage, vandalism and malicious mischief and theft and mysterious disappearance endorsements, without deductible or co-insurance, covering the equipment, personal property and other contents of the Premises and all alterations, additions and leasehold improvements

made by or for Tenant in the amount of their full replacement value. All of such policies shall be written by an insurance company or companies reasonably satisfactory to Landlord on an occurrence basis, and shall contain a clause that the insurer will not cancel or change the insurance coverage without at least ten (10) days prior written notice to Landlord. Evidence of such insurance shall be furnished to Landlord prior to the Commencement Date and prior to the renewal date and at such other times as may be reasonably requested by Landlord. Such insurance may be furnished by Tenant under any blanket policy carried by it or under a separate policy therefor provided that such blanket policy contains an endorsement that references the Premises and guarantees a minimum limit available for the Premises equal to the insurance amounts required in this Lease.

16. WAIVER OF SUBROGATION. Each party hereby expressly releases the other for any liability it may have on account of any loss to the Premises or Building or contents of either due to fire or any peril included in the coverage of any applicable fire and extended coverage and material damage insurance, however caused, including such losses as may be due to the negligence of the other party, its agents or employees, but only to the extent of any amount recovered by reason of such insurance, and each party hereby waives any right of subrogation which might otherwise exist in or accrue to such party on account thereof, provided that such release of liability and waiver of the right of subrogation shall not be operative in any case where the effect thereof is to invalidate such insurance coverage under applicable state law.

17. INDEMNITY.

- Tenant. Tenant hereby agrees to indemnify, defend and save Landlord harmless from and against any and all claims, actions, damages, liability and expense in connection with loss of life, personal injury and/or damage to property arising from or out of any occurrence in, upon or at the Premises (except to the extent such claim, action, damages, liability or expense is attributable to the negligence or willful act of Landlord) or by reason of any breach or default by Tenant in the performance of any term of this Lease on Tenant's part to be performed. In case Landlord shall be made a party to any litigation arising out of any such occurrence, then Tenant shall defend, protect and hold Landlord harmless and shall pay all costs, expenses and reasonable attorney fees incurred or paid by Landlord in connection with such litigation. Tenant's obligations under this Section shall survive the termination of this Lease.
- Landlord. Landlord hereby agrees to indemnify, defend and save Tenant harmless from and against any and all claims, actions, damages, liability and expense in connection with loss of life, personal injury and/or damage to property arising from or out of any occurrence in, upon or at the Building (except to the extent such claim, action, damages, liability or expense is attributable to the negligence or willful act of Tenant) or by reason of any breach or default by Landlord in the performance of any term of this Lease on Landlord's part to be performed. In case Tenant shall be made a party to any litigation arising out of such occurrence, then Landlord shall defend, protect and hold Tenant harmless and shall pay all costs, expenses and reasonable attorney fees incurred or paid by Tenant in connection with such litigation. Landlord's obligations under this Section shall survive the termination of this Lease.

- CASUALTY. If the Premises are damaged or destroyed by fire or other casualty covered 18. by insurance and Landlord, in its reasonable discretion, determines to rebuild the Premises, then (unless this Lease is terminated by Landlord as hereinafter provided) this Lease shall continue in full force and effect and Landlord shall proceed, after adjustment of such loss, to repair or restore the Premises to the condition which Landlord furnished to Tenant upon the commencement of the Term. Within thirty (30) days following any damage to or destruction of the Premises, Landlord shall provide Tenant with written notice of Landlord's intention to rebuild or not to rebuild, and, if Landlord elects to rebuild, the date by which Landlord intends to complete the repair of such damage or destruction and a schedule for carrying out the necessary work. If the projected completion date is more than one hundred eighty (180) days following the date of the damage or destruction, then the Tenant may terminate this Lease (without any liability or cost) by delivery of written notice of termination to Landlord within thirty (30) days following receipt of Landlord's notice. If Tenant fails to deliver such notice of termination within the prescribed period, then this Lease shall remain in full force and effect and Landlord shall carry out the necessary repairs to the Premises. If the Premises or any part thereof shall be rendered untenantable by any destruction or damage, then a pro rata portion of the rent based upon the number of square feet of area in the Premises which are untenantable shall be abated until the Premises or such part thereof shall have been in tenantable condition. Upon such termination of the Lease, the rights and obligations of the parties hereunder shall terminate. If Landlord fails to timely deliver Landlord's notice of election whether or not to rebuild, Landlord shall be deemed to have elected to rebuild.
- 19. <u>CONDEMNATION</u>. If all or any portion of the Premises or Common Areas are sold to or taken by any public authority under its power of condemnation or the threat thereof, Tenant may terminate this Lease as of the date possession shall be transferred to the acquiring authority, and the rental payable hereunder shall be apportioned accordingly.

In the event this Lease is not terminated pursuant to the foregoing, then this Lease shall continue in force as to the part of the Premises and Common Area not taken and the rent payable thereafter shall be reduced in proportion to the amount of total floor area of the Premises and Common Area taken. In the event of any such taking, Landlord, upon receipt and to the extent of the award in condemnation or proceeds of sale, shall, unless this Lease has been terminated, make necessary repairs and restorations (exclusive of Tenant's leasehold improvements and Alterations) to restore the Premises and Common Areas remaining to as near their former condition as circumstances will permit unless Landlord determines, in Landlord's reasonable discretion, that the award is not sufficient to repair or restore the Premises and Common Areas, in which case Landlord shall have the option to terminate this Lease upon sixty (60) days prior written notice to Tenant. If Landlord fails to timely deliver such notice to Tenant, Landlord shall be deemed to have determined that the award is sufficient to repair or restore the Premises and Common Areas. All damages awarded by or amounts paid by the acquiring authority for any such taking, whether for the whole or part of the Premises or the Building or Common Areas shall belong to and be the sole property of Landlord whether such damages are awarded as compensation for loss of, or diminution in value to, the leasehold or the fee thereof, provided, however, Tenant shall have the right to pursue such claim or claims as Tenant may have legally for relocation expenses, interruption of business and such items which do not reduce the award or proceeds of sale payable to Landlord.

- 20. <u>ASSIGNMENT AND SUBLETTING</u>. Tenant shall not assign, pledge, mortgage or otherwise transfer or encumber this Lease or sublet any part or all of the Premises and shall not permit any use of any part of the Premises by any other party, or any transfer of its interest in the Premises by operation of law, without the consent of Landlord, which shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, Tenant shall be permitted to assign this Lease or sublease all or a portion of the Premises to a related entity, after written notice to Landlord. For purposes of this Section, a related entity means an entity that is controlled either by Tenant or by another entity that is controlled by or under common control with Tenant. "Control" means that the controlling party has the ability to vote a majority of the ownership interests of the entity in question.
- DEFAULT. If (a) Tenant shall fail to pay the rent or any charge due hereunder within five 21. (5) days after written notice that same is due, or (b) Tenant shall fail to perform any of the other covenants or conditions herein contained on the part of Tenant, and such default shall continue for thirty (30) days after written notice thereof shall have been given to Tenant, or (c) if this Lease shall, by act of Tenant or by operation of law or otherwise pass to any party other than Tenant (except as permitted in this Lease), or (d) Tenant or any guarantor of this Lease shall become insolvent or bankrupt or make an assignment for the benefit of creditors, or (e) a receiver or trustee of Tenant's property or that of any guarantor of this Lease shall be appointed and such receiver or trustee, as the case may be, shall not be discharged within ninety (90) days after such appointment, then in any such case, Landlord may, upon notice to Tenant, recover possession of and re-enter the Premises without affecting Tenant's liability for past rent and other charges due or future rent and other charges hereunder. In the event of any such default, Landlord shall be entitled to recover from Tenant, in addition to rent and other charges equivalent to rent, all other damages sustained by Landlord on account of the breach of this Lease, including, but not limited to, the costs, expenses and attorney fees incurred by Landlord in enforcing the terms and provisions hereof and in re-entering and recovering possession of the Premises and for the cost of repairs, alterations and brokerage and attorney fees connected with the reletting of the Premises. Further, at the election of Landlord, Landlord shall have the right to declare this Lease terminated and canceled, without any further rights or obligations on the part of Landlord or Tenant (other than Tenant's obligation for rent and other charges due and owing through the date of termination), so that Landlord may relet the Premises.
- TENANT'S RIGHT TO CURE LANDLORD'S DEFAULTS. If Landlord (a) shall neglect to pay when due any obligations on any mortgage or encumbrance affecting title to the Premises to which this Lease is subordinate and for which the mortgagee or encumbrancer refuses to execute a subordination, nondisturbance and attornment agreement or (b) shall fail to perform any obligation of Landlord specified in this Lease and Landlord's failure disrupts Tenant's enjoyment of the Premises or Common Areas, then Tenant, after the continuance of any such default for seven (7) days after written notice thereof (or such longer period as may reasonably be required to cure such default) by Tenant to Landlord and Landlord's lenders, shall have all of the following remedies (seven (7) days after written notice thereof by Tenant to Landlord and Landlord's lenders): (i) suing for damages, (ii) suing for specific performance or injunctive relief, (iii) curing such default and charging Landlord for Tenant's reasonable actual

costs relating to such cure (which Tenant may charge to Landlord via Rent set-off), or (iv) terminating this Lease.

- 23. <u>COSTS AND ATTORNEY FEES</u>. The defaulting party shall pay all costs, expenses and reasonable attorney fees that may be incurred or paid by the non-defaulting party in enforcing the covenants and agreements of this Lease, whether or not litigation is commenced.
- 24. <u>INTEREST</u>. Any amount due from Tenant to Landlord hereunder which is not paid when due shall bear interest at the prime rate Wall Street Journal announces, from time to time, from the date due until paid, compounded monthly, but the payment of such interest shall not excuse or cure any default either party under this Lease.
- SURRENDER. Upon the termination of this Lease, by expiration or otherwise, Tenant 25. shall peaceably surrender the Premises to Landlord in good condition and repair consistent with Tenant's duty to make repairs as provided herein. All Alterations and decorations made to the Premises by Tenant shall remain and be the property of Landlord unless, as to any Alteration, Landlord had previously notified Tenant in writing at the time Landlord approved such Alteration that Tenant, at Tenant's expense, was to remove any or all thereof and repair the damage caused by such removal, in which case Tenant shall so remove such Alteration and repair the Premises as necessary. All furniture, equipment and unattached moveable personal property owned by Tenant may (and upon Landlord's request shall) be removed from the Premises by Tenant no later than the termination date, and Tenant shall repair any and all damage caused by such removal. If the Premises are not surrendered upon the termination of this Lease as set forth herein, Tenant shall indemnify, defend and hold harmless Landlord against all loss or liability suffered by Landlord resulting from delay by Tenant in so surrendering the Premises. Tenant shall also surrender all keys to the Premises and shall inform Landlord of combinations in any locks, safes and vaults, if any, in the Premises.
- 26. <u>HOLDOVER</u>. In the event Tenant remains in possession of the Premises after the expiration of this Lease with the consent of Landlord and without the execution of a new lease, it shall be deemed to be occupying said premises as a tenant from month-to-month, subject to all of the conditions, provisions and obligations of this Lease insofar as the same are applicable to a month-to-month tenancy until the termination of such tenancy.
- 27. TRANSFER BY LANDLORD. In the event of a sale or conveyance by Landlord of the Building, the same shall only operate to release Landlord from any future liability upon any of the covenants or conditions herein contained, and in such event Tenant agrees to look solely to the successor in interest of Landlord in and to this Lease. This Lease shall not be affected by any such sale or conveyance, and Tenant agrees to attorn to the purchaser or grantee, which shall be obligated on this Lease only so long as it is the owner of Landlord's interest in and to this Lease. Such attornment by Tenant may be conditioned upon the new purchaser or grantee confirming to Tenant its obligations to Tenant with respect to any deposits made by Tenant with Landlord prior to the sale or conveyance.
- 28. <u>SUBORDINATION</u>. This Lease is and shall be subject and subordinate at all times to all ground or underlying leases which now exist or may hereafter be executed affecting the Building

and to the lien of any mortgages now or hereafter placed on or against the Building ("Third Party Interests"), or on or against Landlord's interest or estate therein. Should the holder of any Third Party Interests threaten to foreclose or commence foreclosure, Landlord shall immediately provide written notice of the same to Tenant and Landlord shall have a continuing obligation to keep Tenant reasonably informed of the status of any such threatened or commenced foreclosure.

- ESTOPPEL CERTIFICATES. Tenant agrees that at any time and from time to time upon not less than ten (10) days prior request of Landlord, Tenant shall execute, acknowledge and deliver to Landlord a statement in writing certifying: (a) that this Lease is unmodified and in full force and effect (or if there have been modifications, specifying the same), and (b) the dates to which the rent and other charges have been paid, and (c) that, so far as Tenant knows, Landlord is not in default under any provisions of this Lease (or if Tenant knows of any such default, specifying the same) and (d) such other matters as Landlord or Landlord's mortgagee may reasonably and customarily require. It is intended that any such statement may be relied upon by any person proposing to acquire Landlord's interest in this lease or any prospective mortgagee of, or assignee of any mortgage upon, such interest.
- 30. <u>SORTING AND SEPARATION OF REFUSE AND TRASH</u>. Tenant agrees to comply with all present and future laws, orders, and regulations of all state, federal, municipal, and local governments, departments, commissions and boards regarding the collection, sorting, separation and recycling of waste products, garbage, refuse and trash into such categories as provided by law. Each separately sorted category of waste products, garbage, refuse and trash shall be placed in separate receptacles specified by Landlord. Tenant shall be responsible for arranging for the collection of such garbage, refuse and trash in accordance with all such laws.
- NOTICES. All notices and demands which may or are required to be given by either party to the other hereunder shall be in writing, and delivered in person or sent by either United States certified mail, return receipt requested, postage prepaid or by Federal Express or other nationally recognized overnight delivery service. Notices and demands to Tenant shall be addressed to it at the address set forth in Section 1.11 hereof or to such other place as Tenant may from time to time designate in a written notice to Landlord. Notices and demands to Landlord shall be addressed to it at the address set forth in Section 1.10 hereof, or to such other firm or to such other place as Landlord may from time to time designate in a written notice to Tenant.
- 32. EXECUTION. The submission of this document for examination does not constitute an offer to lease, or a reservation of, or option for, the Premises and this document becomes effective and binding only upon the execution and delivery hereof by both Landlord and Tenant. Tenant confirms that Landlord has made no representations or promises with respect to the Premises or the making or entry into of this Lease except as are expressly set forth herein, and agrees that no claim or liability shall be asserted by Tenant against Landlord for, and Landlord shall not be liable by reason of, breach of any representations, or promises not expressly stated in this Lease. This Lease can be modified or altered only by agreement in writing between Landlord and Tenant.
- 33. <u>BINDING EFFECT</u>. The covenants, agreements and obligations herein contained, except as herein otherwise specifically provided, shall extend to, bind and inure to the benefit of the parties hereto and their respective personal representatives, heirs, successors and assigns (but

in the case of assigns only to the extent that assignment is permitted hereunder). No third party, other than such successors and assigns, shall be entitled to enforce any or all of the terms of this Lease or shall have rights hereunder whatsoever.

- 34. <u>TITLE</u>. Landlord covenants, represents and warrants to Tenant that it has full right and power to execute and perform its obligations under this Lease.
- 35. <u>BROKERS</u>. Landlord and Tenant represent to each other that they have not dealt with any broker in connection with this transaction. Landlord and Tenant agree to indemnify, defend and hold each other harmless from and against any claims by any broker claiming a commission or fee as their respective representative or agent with regard to this transaction. The provisions of this paragraph shall survive the termination of this Lease.
- 36. OPTION TO EXTEND. Tenant shall have the right, to be exercised as hereafter provided, to extend the term of this Lease for nine (9) periods of one (1) year each, on the following terms and conditions and subject to the following limitations (each of such one-year extension periods is hereafter referred to as a "Renewal Term"):
- (a) Each time Tenant is entitled to exercise its right to extend, this Lease shall be in full force and effect and Tenant shall not be in material default in the performance of any of the terms, covenants and conditions of the Lease; provided however, that Tenant shall not be deemed to be in default until Landlord has sent written notice to Tenant explaining the default and Tenant has failed to cure in accordance with Section 21 above and unless the default is of a nature that it would entitle Landlord to terminate this Lease.
- Each Renewal Term shall be upon the same terms, covenants and conditions of this Lease with the exception that Rent for the Renewal Terms shall be changed (at the beginning of any such Renewal Term) by an amount determined by multiplying the rent at the Commencement Date of this Lease by the percentage change in the C.P.I., as defined below. (For purposes of this paragraph, C.P.I. means the Consumer Price Index, All Cities Average for All Urban Consumers for All Items (1982-84 = 100), published by the Bureau of Labor Statistics of the United States Department of Labor. If the Bureau of Labor Statistics ceases publishing the C.P.I. or materially changes the method of its computation, components, base year, consumers included or other features, Landlord shall substitute a comparable index based upon changes in the cost of living or purchasing power of the consumer dollar published by any governmental agency, responsible financial periodical, trade association or educational institution.) The percentage change in the C.P.I. shall be determined by dividing the C.P.I. measured on the date of the commencement of any such Renewal Term (or on the date closest to the commencement of any such Renewal Term for which the C.P.I. is available) by the C.P.I. measured on the Commencement Date (or on the date closest to the Commencement Date for which the C.P.I. is available) multiplying that quotient by 100 and subtracting 100 from the product.
- (c) Tenant shall exercise its right to renew this Lease by delivering written notice of exercise to Landlord no later than sixty (60) days prior to the expiration of the initial Term (as to the first Renewal Term) and no later than sixty (60) days prior to the expiration of any subsequent Renewal Term.

- 37. <u>INTERPRETATION</u>. The invalidity or unenforceability of any provision of this Lease shall not affect or impair any other provision. Whenever the singular number is used, the same shall include the plural, and the masculine gender shall include the feminine and neuter genders. The captions appearing in this Lease are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of such sections or paragraphs of this Lease nor in any way affect this Lease.
- 38. FORCE MAJEURE. In the event that Landlord or Tenant shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of strikes, lockouts, labor troubles, failure of power, restrictive governmental laws, regulations, orders or decrees, riots, insurrection, war, acts of God or the public enemy, inclement weather, casualties or shortages of fuel, then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period of such delay.
- 39. <u>AUTHORITY</u>. If Tenant is a corporation or limited liability company, each individual executing this Lease on behalf of Tenant represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of said corporation or limited liability company, as the case may be, and that this Lease is binding upon said corporation or limited liability company, as the case may be in accordance with its terms without the joinder or approval of any other person.
- 40. <u>JOINT AND SEVERAL LIABILITY</u>. If Tenant or Landlord is more than one person, the persons or entities collectively referred to herein as Tenant or Landlord (as the case may be) shall be jointly and severally liable with respect to the obligation to pay rent and all of the other obligations, covenants and agreements of Tenant or Landlord (as the case may be) set forth in this Lease.
- 41. QUIET ENJOYMENT. Landlord represents that Landlord is the fee owner of the Premises. Landlord covenants that, so long as Tenant shall duly and punctually perform and observe all of its obligations under the Lease, Tenant shall peaceably and quietly have, hold and enjoy the Premises.
- 42. <u>ADDENDA</u>. The provisions, if any, included at the end of this Lease, and any riders and exhibits appended to this Lease, are hereby made a part of this Lease as though set forth in full at this point.
- 43. <u>TIME IS OF THE ESSENCE</u>. Except as otherwise expressly provided herein, time is of the essence as to all dates and deadlines set forth in this Lease.

44. TERMINATION. Notwithstanding any other provision of this Lease, in the event Benjamin Breskman's employment with the Sheboygan Paint Company is terminated, Landlord shall have the option to terminate this Lease, by 90 days advance written notice to Tenant, provided, however, that such notice must be given within 90 days after such termination of employment.

EXECUTED as of the date first written above-

LANDLORD:

SENTRY PAINT TECHNOLOGIES,

INC.

Benjamin Breskman, President

TENANT:

SHEBOYGAN PAINT COMPANY

y.<u>~~~</u>

Brock Brownrigg, President

EXHIBIT A

[INSERT SITE PLAN/FLOOR PLAN/PREMISES DIAGRAM]

